

CHINA REPORT

中国新闻周刊
English Edition

SCIENCE

Tall Order:
Mission to measure
world's tallest peak

ECONOMY

Out of Service:
Struggle to revive
country's key sector

ENVIRONMENT

White Knights:
Dedicated birders
defend rare cranes

FORGING AHEAD

Two sessions chart pragmatic course



Volume No. 86 July 2020

VISIT...

LANZAROTE
Caliente.COM

OUR COMMITMENT TO YOU

Dear Britain,

Keeping in contact with friends, loved ones and colleagues shouldn't be hard. That's why we're making it easier to stay in touch.

For nearly 20 years, we've supplied the UK's mobile and broadband companies with 3G and 4G. But some now question our role in helping Britain lead the way in 5G.

We want you to know we are as committed as ever to providing your network operator with the best equipment so you can share photos, stream movies, get together online and much more.

While many in cities have fast, reliable connections, others are not so lucky. We know a poor connection makes working from home, or running a small business, harder than it should be.

New 5G and full-fibre broadband networks will fix these problems and we're working to bring high speed connections to every part of the country.

We're also playing our part in creating jobs, training the engineers of tomorrow, investing in new technology and supporting universities.

We're here to help you enjoy better, faster connections – quickly, affordably and securely.

That's our commitment to you.



Visit [Huawei.com/UK](https://www.huawei.com/UK) for more

Published by China News Service

Publisher: Chen Lujun

Executive Director:

Chen Lujun

Editor-in-Chief: Peng Weixiang

Deputy Editor-in-Chief: Zheng Zhonghai

Editorial Office

Copy Editors: Kathleen Naday, James Tiscione

Lead Writers: Yu Xiaodong, Li Jia

Senior Editor: Wang Yan

Editors: Xie Ying, Du Guodong, Yi Ziyi, Zhang Qingchen, Xu Ming

Consultant Editor: Chen Shirong

First Reader: Andrew McEwan

Address: 5th Floor, 12 Baiwanzhuang South Street, Xicheng District, Beijing, China

Post Code: 100037

Tel: 86-10-88395566

Fax: 86-10-88388045

Email: audience@chinareport.co.uk

Website: www.ChinaReport.co.uk

Art Department

Art Director: Wu Shangwen

Art Editor/Designer: Zhang Dawei

Marketing/Advertising/Subscription

EMEA Office

Foremost 4 Media

Deputy Editor: Mafalda Borea

Email: mafalda@foremost4.media

Tel: +44 7753 693244

+44 20 7224 8812

Website: foremost4.media

Marketing Office in China

Director: Wang Chenbo

Account Manager: Ren Jie

Tel: 86-10-88388027

Circulation Manager: Yu Lina

Tel: 86-10-88311834

London Office: Zhang Ping

New York Office: Ma Delin, Liao Pan

Washington Office: Chen Mengtong, Sha Handing

Los Angeles Office: Zhang Shuo

San Francisco Office: Liu Guanguan

Houston Office: Zeng Jingning

Tokyo Office: Lu Shaowei

Paris Office: Li Yang

Bangkok Office: Wang Guoan

Kuala Lumpur Office: Chen Yue

Moscow Office: Wang Xiujun

Manila Office: Guan Xiangdong

Berlin Office: Peng Dawei

Sydney Office: Tao Shelan

Brussels Office: De Yongjian

Astana Office: Wen Longjie

Rio de Janeiro Office: Wang Xi

Johannesburg Office: Song Fangcan

Jakarta Office: Lin Yongchuan

Kathmandu Office: Zhang Chenyi

Legal Advisor: Allen Wu

ISSN 2053-0463

The world needs a better form of globalisation

During the ongoing coronavirus crisis, a major topic of discussion has been the future of globalisation. In past years, globalisation has been the subject of serious criticism, especially after Donald Trump was elected US president. Under his “America First” policy, globalisation was blamed for being the major cause of social and economic problems in the US.

While Trump’s policies are controversial, there is a negative impact of globalisation on certain groups. Although industrialised Western countries have benefited greatly from globalisation, the benefits are monopolised by big companies. For the working class, the impact of rising unemployment and stagnating incomes has exceeded the benefits of cheaper consumer goods exported from other countries. For many developing countries, globalisation has resulted in the collapse of their agricultural sectors, reshaping the lifestyle of their agricultural communities who ultimately become a new poor urban underclass.

The coronavirus pandemic, which caused severe disruption to global supply chains, has further exposed the negative impact of globalisation on domestic economies. As the world seems to have arrived at a crossroads, policymakers around the globe should take a new approach to establishing a new form of globalisation.

First, the existence of the negative side of globalisation should not lead to discarding the spirit of global cooperation. On the contrary, global cooperation is key to reshaping globalisation to the benefit of all countries. The current health crisis

should have been a golden opportunity for countries to find common interests and take coordinated action to bring the coronavirus pandemic under control. The US and China, the world’s two largest economies, should put aside their differences and cooperate with each other to send a positive message to the world.

Second, rather than blaming each other, countries should focus on seeking domestic solutions to mitigate the negative impact of globalisation. This includes rebalancing the gains and losses of different social groups, by confronting the expansive and predatory nature of international capital. At the global level, multilateral organisations including the UN, the World Trade Organisation and the World Bank should endeavour to work together to reform international institutions with the aim of better protecting vulnerable countries and groups, and to create a more equal and just world order.

Third, instead of grand globalisation, countries in different

regions should seek opportunities for regional globalisation. Countries could focus on building closer ties with those of closer geographic proximity and cultural similarities. In recent years, China, Japan and South Korea have been moving in that direction. The ASEAN grouping of Southeast Asian nations is another example.

In past decades, globalisation has been a driving force for the development of the global economy. Instead of reversing the progress of globalisation, the world should explore alternative approaches to globalisation. This will require strong global cooperation, not the other way around. ★

The coronavirus pandemic, which caused severe disruption to global supply chains, has further exposed the negative impact of globalisation on domestic economies. As the world seems to have arrived at a crossroads, policymakers around the globe should take a new approach to establishing a new form of globalisation

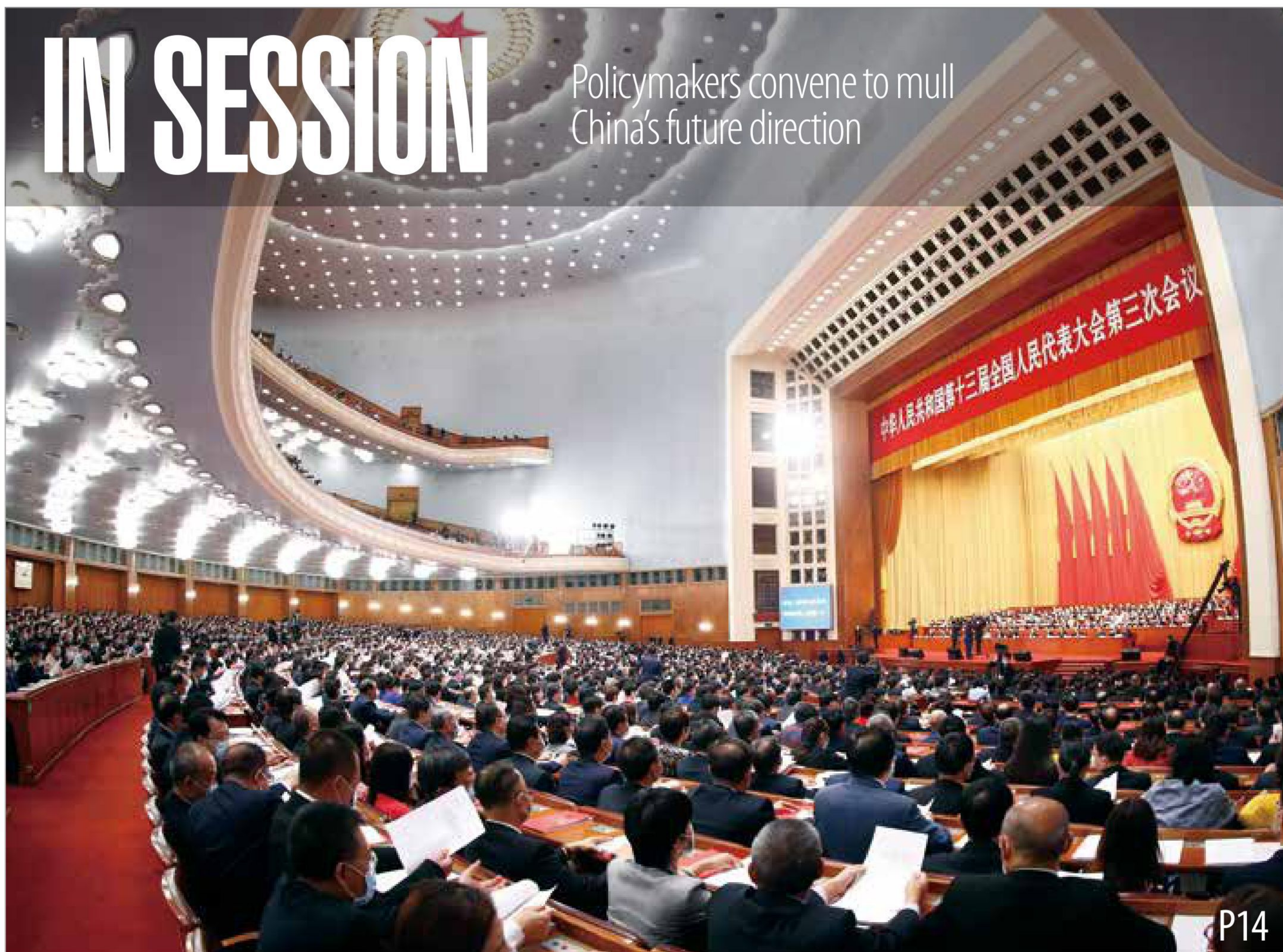


PHOTO BY CFP

EDITORIAL

- 01 The world needs a better form of globalisation

POLITICS

- 10 Smart Cities:
Urban Futures
12 Healthcare:
Seeking the Drug Price Cure-all

COVER STORY

- 14 **Two Sessions:**
Moving Targets/Data-driven Recovery/Boosting the Links/
Hong Kong Security Law: Curse or Cure?/
Bringing the Law up to Code

SOCIETY

- 28 Healthcare:
Unseen and Unaware





P60



P56



P44

- 32 Covid-19 Vaccine:
Shots of Hope
- 35 Covid-19:
Testing the Masses

SPECIAL REPORT

- 38 Education:
Degree of Uncertainty

ENVIRONMENT

- 42 Conservation:
Fight and Flight

SCIENCE

- 44 Mount Qomolangma:
Height Matters

ECONOMY

- 48 Consumption:
Services Without a Smile

CULTURE

- 51 Books:
A Century of Memories
- 54 Film Industry:
Reeling From Crisis

VISUAL REPORT

- 56 **Peddling Forward**

OUTSIDE IN

- 60 Kaifeng:
Tune in to the Song Capital

- 04 **MEDIA FOCUS**
- 05 **WHAT THEY SAY**
- 06 **NEWS BRIEF**
- 08 **NETIZEN WATCH**
- 50 **CHINA BY NUMBERS**
- 62 **ESSAY**
- 64 **FLAVOUR OF THE MONTH/REAL CHINESE**

P51



ChinaReport, Chinese Edition

June 15, 2020

Housing Fund Needs to Be Inclusive



On May 18, China's State Council released a directive to improve the market economy in which the central government vowed to reform the public housing fund, a type of social insurance established in 1999 to help Chinese employees save money to buy a home. Statistics showed that deposits held in the housing fund amounted to 14.59 trillion yuan (US\$2t) in 2018. To date, 33 million housing fund loans were issued by banks, benefiting 55 million homebuyers. Over the years, most employees who benefited from the housing fund are those working for the government, public institutions and State-owned enterprises, but workers at private enterprises, in particular the vast number of migrant workers, are excluded from the scheme. Experts argued that housing fund reform should focus on groups who are in urgent need of the fund, and that it is high time to increase interest rates applied to deposits in the housing fund, as well as coordinate the withdrawal system in different cities.

People's Weekly

May 21, 2020

Livestreaming Marketing

Due to the outbreak of Covid-19 in early 2020, the catering industry, tourism and agricultural retail business were seriously affected.



On April 23, Chinese e-commerce giant Alibaba established its first livestreaming college in Quzhou, Zhejiang Province to train 50 farmers to promote their produce online. Alibaba aims to train 200,000 rural live broadcasters in 2020 with a sales volume of 15 billion yuan (US\$2.1b). Training courses focus on the extraction of unique selling points, packaging, video-making skills and branding tactics, as well as language use and how to act in front of the camera. According to China market research firm iResearch, the livestreaming commerce market rose from 19 billion yuan (US\$2.7b) in 2017 to 433.9 billion yuan (US\$61.5b) in 2019 and it is expected to reach 961 billion yuan (US\$123b) in 2020. The success of livestreaming commerce hinges on internet users and the business model has ushered in a new area of investment, which is expected to mature after the widespread commercial use of 5G.

Xinmin Weekly

May 30, 2020

Paediatrician Plight

China is home to 135,000 paediatricians but there are only four paediatricians per 10,000 children. In 2019, more than 10 percent of paediatricians resigned and most of them were below 35. According to a study by the Chinese Medical Association in 2019, Chinese pediatric medicine faces five challenges, including a shortfall of qualified paediatricians, unbalanced distribution across the country, relatively low education, heavy workloads and growing talent outflow. To address these problems, the Ministry of Education has taken a number of measures in recent years to strengthen training, in particular for practitioners at the grass-roots level, and to expand enrolment of pediatric graduate students. Many Chinese hospitals generate income by selling medicines and providing medical checkups, but children's medicines are administered according to a child's weight, so fewer medicines are sold. Experts recommended raising the salaries of paediatricians and improving work conditions.



Capital Week

June 1, 2020

Domestic Demand Underpins Economy

A meeting in May held by the Financial Stability and Development Committee under the State Council released a package of policies to stimulate consumption, promote investment and boost domestic demand in order to stabilise China's economy and restore growth. Expanding domestic demand will become a main economic strategy in the upcoming years at a time when China's international trade faces growing pressures from trade frictions and the outbreak of Covid-19. The Chinese economy is now more vulnerable to external shocks than during the 1997 Asian financial crisis and the 2008 global financial crisis. Expanding domestic demand, the third time in China, means more proactive fiscal policies and deepening supply-side reform to attain the high-quality development the government wants.

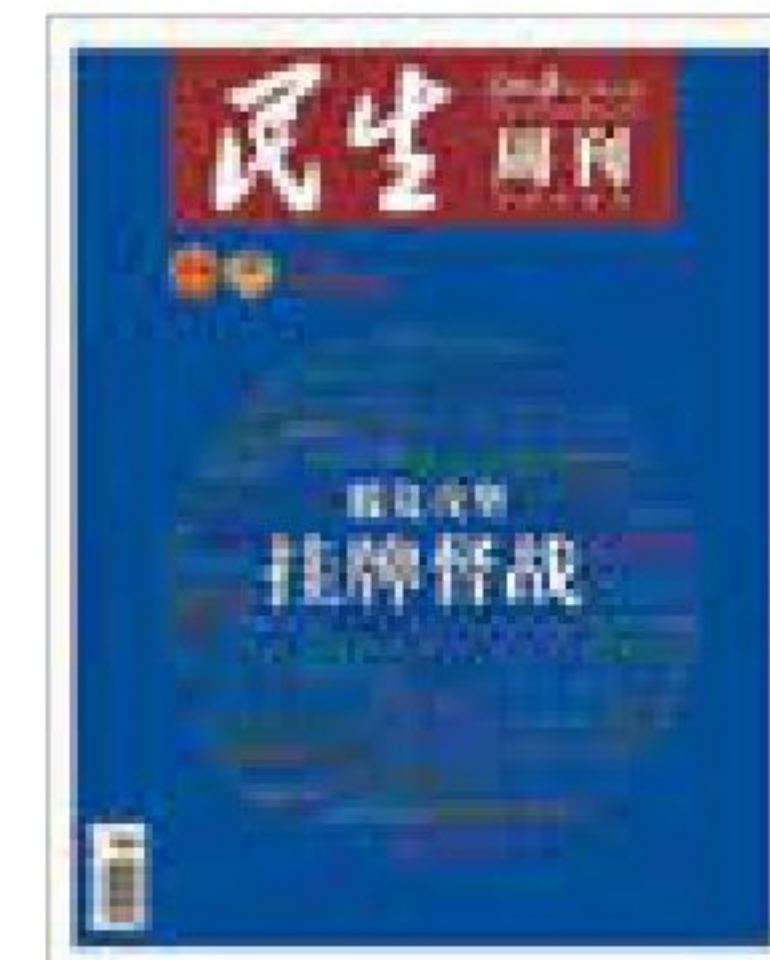


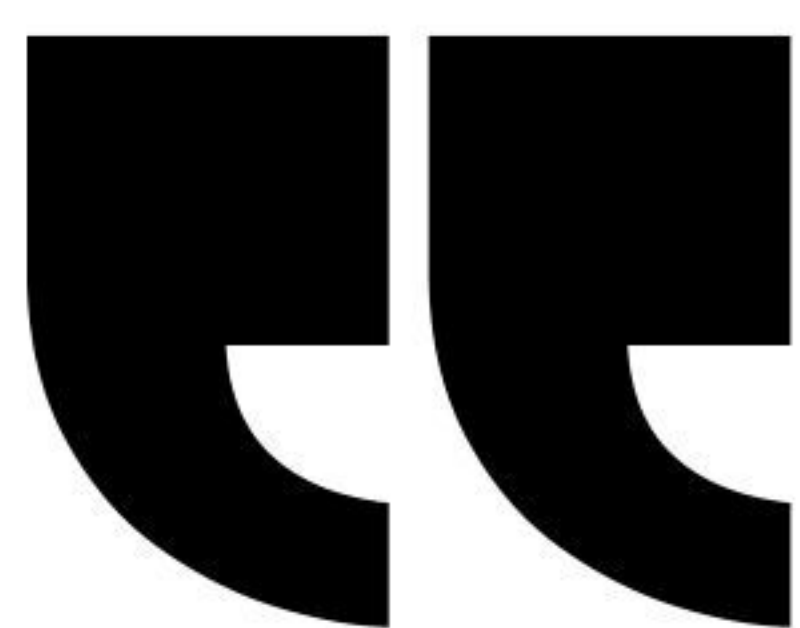
Minsheng Weekly

May 25, 2020

Push to Meet Poverty Alleviation Goal

As of the end of 2019, more than five million people in 52 counties across China were still living in extreme poverty, only six months ahead of the central government's deadline to eradicate extreme poverty in late 2020. On January 25, the State Council released a directive to send officials to supervise poverty relief work in 1,113 villages. Their mission focuses on specifying the responsibilities of local governments to improve compulsory education, basic medicare, housing security, employment and the relocation of impoverished households. In addition, priority was given to the implementation of poverty alleviation policies and the proper use of the special fund in a bid to ensure that no poor household is left behind. The unemployment resulting from the widespread suspension of production due to the coronavirus, coupled with the low-income populations who are likely to slip further into poverty, are the main challenges for China to fulfil its poverty alleviation goal.





WHAT THEY SAY

“People cannot help but ask whether the notorious era of McCarthyism is returning in the US.”

Zhao Lijian, spokesperson for China’s Ministry of Foreign Affairs, responding to the US’s recent announcement that it would ban some Chinese students and researchers holding F and J visas from entering the country



ILLUSTRATION BY XIAO ZHENDUO



“China will unswervingly promote opening-up and it will never change. We will keep expanding cooperation with the world and promulgate more opening-up measures. Opening-up [for China] is like oxygen to humans – take it away for a moment and we suffocate.”

Chinese Premier **Li Keqiang** at the press conference following the latest two sessions held in late May



“The right to know is the right to life and openness is the best vaccine.”

Liu Xiaobing, a professor at the Shanghai University of Finance and Economics and National People’s Congress (NPC) delegate, in a resubmitted proposal during the two sessions for legislation on publicising government information



“If we want to stop ‘small horses from pulling big carts,’ we need to clearly distinguish routine emergencies from major ones.”

Bai Yansong, China Central Television (CCTV) anchor and Chinese People’s Political Consultative Conference (CPPCC) member, attributing the Red Cross Society of China’s poor response to the Covid-19 epidemic in Wuhan to its inability and lack of personnel to deal with major health emergencies, in a recent interview with *Nanfang Metropolis Daily*



“More and more women are unable to give birth in their prime because of issues such as career, health, lack of a partner and money. If we ban them from using assisted reproductive technologies such as egg freezing, they could miss their chance to have children.”

Peng Jing, co-founder of the Chongqing Qingsheng Law Firm and CPPCC member, in a proposal on equal reproductive rights for women during the 2020 two sessions

“Macao completed its national security legislation in 2009. This is a positive example of ‘one country, two systems.’”

Cui Shichang, deputy chairman of the Legislative Assembly of Macao Special Administrative Region and CPPCC member, at a press conference during the latest two sessions

“I think that science has been [mixed up] with politics, which makes science politicised. It is very regrettable. I believe scientists from around the world don’t like to see this.”

Shi Zhengli, a coronavirus researcher at the Wuhan Institute of Virology, Chinese Academy of Sciences, during a recent interview with China Global Television Network (CGTN)

“Because the pandemic started and ended earlier here, China’s economic recovery is also earlier than other parts of the world. It’s a stabilising force for other countries and the whole world, especially emerging economies.”

Wang Tao, director of Asian economy research and chief Chinese economist at UBS SDIC Fund Management, a joint venture management fund, at a press conference on the 2020 two sessions. Wang predicted that China’s economy would grow 5-6 percent in the third and fourth quarters for an annual growth rate of 1.5 percent

“This year I am proposing to add sexual assault prevention programmes for children to the compulsory education curriculum.”

Ling Feng, a chief neurologist at Xuanwu Hospital Capital Medical University and CPPCC member, at a symposium on protecting children held before the 2020 two sessions



Top Story

Hainan Free Trade Port Plan Unveiled



China's State Council issued on June 1 a general plan to transform Hainan Province into a free trade port, which pledges to realise free trade, free investment, free transportation, free entry-departure and free trans-border capital flows in China's southern island province.

Hainan is to set up a separate customs bureau by 2025 and before that, it will gradually exempt tariffs from all imported goods that are not specified on China's negative list, unless they are transshipped to other parts of the Chinese mainland. Products made from imported materials will still be tariff exempt as long as the finished product has a value-added price of 30 percent or above.

The plan prioritises free investment as key to helping Hainan connect to the world and boosting the local economy. Hainan's governor Shen Xiaoming said at a press conference in Beijing on June 8 that enterprises entering Hainan are allowed to engage in any business so long as it is not illegal or on the negative list, and

local government approval will not be required. Those engaged in industries encouraged by the government will be eligible for tax reductions.

The government values tourism, high-tech industries and modern services most, the plan states.

To promote tourism on the island, the document grants both Hainan residents and tourists a tariff-free quota of 100,000 yuan (US\$14,165) for purchases in Hainan, over three times the existing quota which was set in 2018 when Hainan was defined as a free trade zone.

The document also proposes greater opening-up in key fields such as finance, medical care, education and culture. It pledges to open the telecommunications sector, support foreign investors engaged in bonds, futures and funds to set up independent or joint ventures on the island, and allow higher vocational schools and international universities specialising in engineering, science, agriculture and medicine to set up independent schools in Hainan.

The plan emphasises risk control and management, and requires the provincial government to institute policies and measures against acts that harm national security and the socialism institution, and against smuggling and corruption.

Experts said that many of the opening-up policies mentioned in the plan are unprecedented on the mainland, and this shows the government's firm determination to attract talented professionals to Hainan. It seeks to eliminate its current reliance on the real estate industry which experts believe will drag down the local economy.

Lin Nianxiu, deputy director of the National Development and Reform Commission, said Hainan will provide an important case study for the central government to make China more open and marketised as well as promote globalisation. He said that the plan is not intended to make Hainan another Hong Kong, but rather to make the most of its uniqueness and local resources.

Laws

Chinese Courts Become More Transparent

The Chinese Academy of Social Sciences (CASS) published the 2020 Annual Report on Informatisation of Chinese Courts on June 2, saying that smart information technologies have made courts more transparent.

Nearly 98 percent of courts throughout the country support online case filing and 58.2 percent support online trials.

After a government website for public trials went into use in 2016, Chinese courts at different levels livestreamed trials nearly four million times in 2019, 33.2 percent of the total, 17.4 percent higher than in 2018.

Information is also more accessible since the government set up a website in 2014 that allows litigants to access information related



to their cases, judges and trial process. The CASS report said that in 2019, courts publicised 99.5 percent of trial information.

Agriculture

Ministry Takes Measures to Improve Rural Employment

The Ministry of Agriculture and Rural Affairs (MOA) announced on May 29 that it would take five measures to support migrant workers who have returned to their rural hometowns to work locally.

MOA Deputy Minister Liu Huanxin said at a work conference in Beijing that the five measures include expanding modern farming, increasing local agricultural specialities, improving the processing of agricultural products, fostering new industries and business models, and promoting rural projects.

Liu said that a growing number of rural migrant workers, impacted by the Covid-19 pandemic, have returned home from urban areas and are unemployed, as they lack the skills to find alternative employment. Liu said that by May, the MOA has helped more than eight million returning rural workers find employment locally. He said that his ministry will also encourage tourism, e-commerce and livestreaming sales to increase rural employment.



Business

Huawei Makes Public Commitment

Chinese telecommunication giant Huawei marked its 20th year of business in the UK on June 8.

With the UK, along with much of the rest of the world heading into possibly the worst recession in decades, and the future of 5G in the UK looking increasingly uncertain, Huawei was taking no chances.

In an open letter, published as full-page ads in newspapers including the *Guardian*, *Daily Telegraph* and the *Daily Mail*, Huawei pledged it remains “as committed as ever” to providing “the best equipment” to the country’s 5G mobile and broadband network operators, building internet networks “quickly, affordably and securely.”

Huawei’s Vice President Victor Zhang said it “underlines Huawei’s on-going commitment to improving connectivity for everyone in the UK... We want to see UK lead the fourth industrial revolution.”

This follows Huawei’s presence in the country since 2005, when it clinched a deal to upgrade British Telecom’s copper broadband service.

Science

Scientists Observe Black Hole’s Beating Heart

Astronomers with the National Astronomical Observatories, Chinese Academy of Sciences (CAS) and the UK’s Durham University made a heartening discovery while observing a huge black hole 600 million light years away.

The area surrounding these voids can emit a pulsating signal known as the “heartbeat.” This was first picked up from this particular location in 2007 but was blocked by our own sun in 2011. Amazingly the scientists managed to track the pulse again in 2018 using the European Space Agency’s XMM-Newton X-ray satellite, which showed the heartbeat still going strong. This is the longest-known sustained heartbeat ever monitored from a black hole.

The study was led by Dr Chichuan Jin, National Astronomical Observatories, CAS and former PhD student at Durham. Durham’s involvement was conducted by Professors Chris Done and Martin Ward at the University’s Centre for Extragalactic Astronomy.

“This heartbeat is amazing,” Jin said. “It proves that such signals arising from a supermassive black hole can be very strong and persistent. It also provides the best opportunity for scientists to further investigate the nature and origin of this heartbeat signal.”

Education

Ups and Downs

Newly released world university rankings have shown rises for Chinese and other Asian institutions.

The annual QS index showed 26 universities in China, South Korea, Hong Kong, Japan, Singapore, Malaysia and Taiwan are now listed in the top 100, with the Chinese mainland’s share doubling since 2011. China’s top school, Tsinghua University, has moved up one place to 15th, while the University of Hong Kong has moved three places to the 22nd. This success has been attributed to increased investment in higher education throughout the region.

The top dog remains the Massachusetts Institute of Technology, whereas UK institutions have taken a tumble to turn in their worst ever overall performances. The UK’s strongest, Oxford University dropped from fourth to fifth place, although Cambridge held on to its seventh position. Imperial College London did go up to eighth from ninth, but University College London fell to 10th.

“Investment in teaching capacity would serve the British higher education sector well, and help it to regain lost ground,” said Ben Sowter, Research Director at QS. Sowter did, however, say that the UK decline mirrored that of Europe and North America due to increasing investment elsewhere.

Mother Caught Blackmailing Teacher with Fake Photos

Police detained a mother in Guangzhou, Guangdong Province for attempting to blackmail her daughter's elementary school teacher with false accusations of abuse and staged photos. In her May 30 post on social media, the mother surnamed Liu accused the teacher of forcing her 6-year-old daughter, who she said suffers from asthma, to run 10 laps around the playground as punishment for violating rules, causing her to cough up blood. Liu also posted a photo of her daughter's school uniform with what appeared to be bloodstains. Liu also accused the teacher of beating and threatening her and asking for 60,000 yuan (US\$8,480) in bribes. However, a police investigation revealed that the bloody uniform was fake and that Liu's daughter, according to her doctor, did not have asthma. The local education bureau said that Liu's daughter exhibited no adverse symptoms after completing the 10 laps, nine of which she had walked. Liu admitted to the fabrications, saying she wanted to exert more influence on the teacher. Despite the exoneration, local education authorities still punished the teacher, a move that netizens said would deter other teachers from disciplining students.



Teen Told to Take Down Funny Teacher Impression Vids

Zhong Meimei (pseudonym) won applause online after livestreaming his vivid impressions of how teachers scold students. Some netizens said the 13-year-old's performance was so accurate that it immediately transported them back to their school days. But Zhong removed all of the videos from his livestreaming account after a chat with his maths teacher, who apparently was left less than impressed. Talking to media, the teacher denied asking Zhong to remove the videos as netizens had speculated, but was concerned that Zhong would be affected emotionally when the internet eventually moves on and his popularity wanes. While Zhong's mother voiced her support for the teacher's opinion, many netizens said they were suppressing Zhong's talent and narrowing his space to develop.

Two Detained for Forcing Employees to Eat Earthworms

Police detained two heads of a renovation company in Guizhou Province after they allegedly forced employees to eat live earthworms. According to a police statement, the insect ingestion was a punishment for employees who failed to complete their duties. When one employee refused to participate, he saw his wages deducted. Other corporal punishments at the company included scrubbing toilets, doing squats and push-ups, and drinking raw eggs. According to media reports, one of the heads even threatened to sue an employee who leaked the news to media. Netizens said that any employer who disrespects their employees would eventually fail in business.

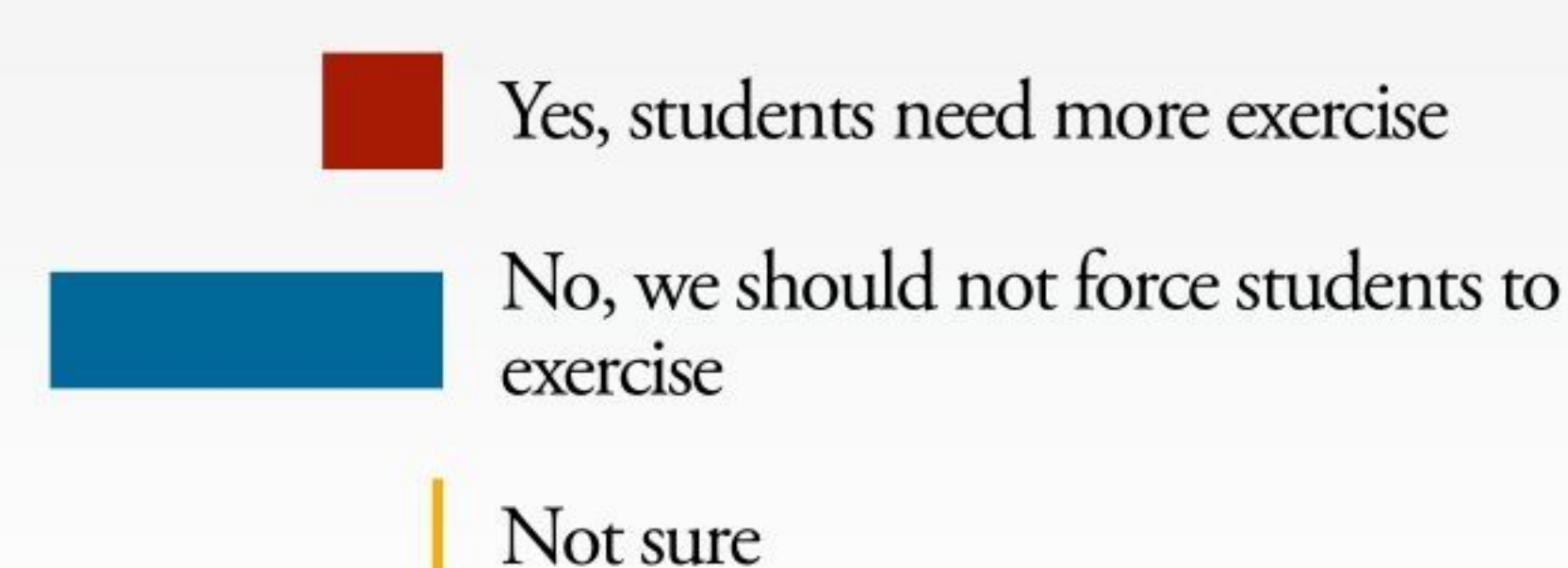
Teacher Punished for Promoting Pop Idol Worship During Class

A middle school teacher in Xiamen, Fujian Province was put on leave after sharing her enthusiasm for a Chinese pop star during a livestreamed class. The teacher sang her adulations for actor and singer Xiao Zhan, and encouraged students and parents to follow Xiao on social media. Parents, however, were not fans of the teacher's pitch and complained to school authorities, saying the teacher was encouraging children to worship pop stars. The news follows reports of kindergarten teachers in Henan Province who similarly tried to get their students to support their favourite pop idols. Netizens called for better ethics training for young teachers.

Poll the People

A total of 55 Chinese People's Political Consultative Conference (CPPCC) members submitted a proposal during the 2020 two sessions to add a physical education component to the *gaokao*, China's national college entrance exam. Co-author Wu Zhiming said the proposal aims to prioritise the physical and mental health of students and to urge teachers and students to dedicate more time to exercise. However, many netizens were against the proposal, arguing that people differ in their physical abilities and the proposal would only further increase the burdens placed on high school students.

Should physical education be included in the college entrance exams?



Source: ChinaReport Chinese edition

Most Circulated Post

Reposted 42,093 times by June 5

Children's physical and mental health should be prioritised, says CPPCC member



Liu Xiya, an elementary school head-teacher in Chongqing and National People's Congress delegate, proposed a ban on those

with a record of sexual misconduct from working with children. Netizens expressed their support, saying that China has not provided children with enough protection from sexual abuse. The latest report from China's Supreme People's Court showed that in 2019, the number of cases involving sexual abuse of children rose nearly 19 percent compared to 2018.

TOP FIVE SEARCH QUERIES

On **Baidu** 百度 for the week ending June 14, 2020

1

1. China Holds Two Sessions After Covid-19 Delay 569,211

China's National People's Congress and the Chinese People's Political Consultative Conference held their annual sessions in late May, two months later than usual due to the Covid-19 pandemic.

2

2. 40 US Cities Under Curfew Amid Protests 320,218

At least 40 US cities had police curfews in place as of May 30 in the wake of nationwide protests triggered by the death of George Floyd.

3

3. Vaccine Development Brings up Stock Prices 49,500

The Dow Jones, Nasdaq and S&P 500 indices grew between 2.4 and 4 percent on May 18 after biotech firm Moderna announced it identified neutralising antibodies from eight volunteers participating in initial trials for a Covid-19 vaccine.

4

4. Meng Wanzhou Extradition Hearing to Continue 21,583

Huawei CFO Meng Wanzhou will see her extradition hearing in Canada continue after the Supreme Court of British Columbia announced on May 28 that her case qualified for double criminality.

5

5. China to Issue 'Anti-pandemic' Bonds 15,426

During the latest two sessions, policymakers announced that China would issue 1 trillion yuan (US\$141.3b) in bonds to help companies and individuals recover from the economic slowdown caused by the Covid-19 pandemic.

TOP BLOGGER PROFILE

Chen Guo

Followers: 2,268,012 by June 9

Chen Guo of Wuhan saw her Sina blog followers soar during the Covid-19 pandemic after she posted a video of her mother crying outside a flat where her brother, who works in a hospital, had quarantined himself after showing flu-like symptoms. Ever since, Chen has posted updates about her experiences during the pandemic. She also mobilised her followers to provide assistance and support to frontline workers. Chen's blog entries have focused on the work conditions of medical workers, especially women. She has voiced her disapproval of sending pregnant women to the frontlines despite their willingness and had monitored authorities' efforts during the pandemic. For example, Chen drew attention to supplies not being delivered to hospitals directly. With the pandemic now under control in Wuhan, Chen has shifted to blogging about how locals are returning to their normal lives and surviving during the economic slowdown. She told social media platform Dami Video that she hoped her blog would help more people understand the plight of regular people and was grateful for the support from netizens during the pandemic. Chen said she plans to publish a book of her collected blog posts.



SOME OF THE IMAGES USED IN THIS SECTION ARE FROM THE INTERNET

WHAT'S HOT?



Schoolyard BBQ

To keep its employees working during the Covid-19 pandemic closures, a kindergarten in Jinan, Shandong Province found a tasty solution – selling barbecue in their schoolyard. Videos showed the school saw bustling business, its tables nearly full of customers. The kindergarten head told media that he wanted to pay wages to teachers and ease their unemployment concerns. Other kindergartens have been able to follow suit thanks to the catering licences required for operating a kindergarten. Many netizens praised the schools' initiatives.



Dedicated Tutor

He Chunsheng, a paraplegic man from Lishui, Zhejiang Province, won admiration from netizens for tutoring children left behind by their parents for 27 years free of charge from his bed. Though living on a meagre government subsidy, He sets aside a part to reward children for studying hard. He told media that he believes in paying it forward and wants to continue tutoring for the rest of his life.

WHAT'S NOT?



Virtual World, Real Dangers

An 11-year-old boy and his younger sister in Handan, Hebei Province were seriously injured after jumping from a four-storey building hand-in-hand. The children said they were recreating a scene they saw in a video game. It took the doctors four attempts to resuscitate the boy, media reported. Their father said he would file lawsuits against the game's developers and operators. But many netizens argued that the parents were partly responsible, while some suggested that authorities set up a ratings system for video games.



Police Throw the Law Book at Him

A Zhejiang Province man who was caught stealing from cars surprised police when they found him in possession of a book on criminal law. The man surnamed Yu told officers that he had served two jail sentences for larceny and hoped the book could not only help him learn how to better deal with police but also provide him with some legal loopholes. Netizens asked why he would work so hard to stay on the wrong side of the law.



PHOTO BY VCG

Smart Cities

Urban Futures

An electrician in Urumqi, Xinjiang Uygur Autonomous Region, works at a 5G station, August 29, 2019

The potential for smart cities to drive Chinese economic and social growth is huge, despite criticisms of their slow responses to Covid-19

By Huo Siyi and Xu Dawei

Since April, many Chinese cities have made returning to work a priority, and pandemic control measures based on big data have played an important role. On April 17, the Ministry of Industry and Information Technology (MIIT) held a seminar on digital infrastructure, vowing to speed up 5G technology and its applications in “smart city” projects across the country.

A string of policies released by the central government sent a clear signal that the coronavirus outbreak has made both the government and enterprises aware of the potential for big data in the handling of public health emergencies.

According to Chen Dongping, president of the Shenzhen Institute of Smart City and Big Data, smart cities in China were passive and slow to respond to the pandemic. He argued that in early January, city employees nationwide were still filling out forms by hand to track residents and that big data failed to play a crucial role.

Alibaba Vice President Liu Song told *ChinaReport* that the pandemic was a test for China’s smart cities, with areas such as Zhejiang and Guangdong provinces and Shanghai performing relatively better.

Sharing Information

Since the Covid-19 outbreak began in January 2020, Li Deren, an expert in remote sensing and photogrammetry – use of photography in surveying and mapping – at Wuhan University, has been observing the city’s responses to the disease. He told our reporter that China locked down Wuhan largely because it was incapable of tracking the growing number of asymptomatic virus carriers.

Li said that the country’s three main telcos (China Unicom, China Mobile and China Telecom) had location and movement data, but data about patients and virus carriers were in the hands of health commissions and hospitals.

According to a senior government official responsible for big data in a city in the Yangtze River Delta, many local governments did not distribute their health code apps, which use codes to rate users’ health status and travel history, until mid-February because mobile carriers refused to share information with local governments. Through MIIT coordination, the companies shared partial data with local governments.

Since April, major ports of entry like Beijing and Shanghai have prioritised monitoring for coronavirus carriers reentering the country. Qiu Wei, director of the IT Promotion Office of the Shanghai Economy and Information Technology Commission, told *ChinaReport* that customs authorities own their data, as do airline companies. This lack of information sharing mechanisms forced institutions to collect and verify data about airline travellers on their own.

The pandemic exposed another glaring issue: information sharing between the central and local governments. In May 2017, the State Council, China's cabinet, ordered the sharing of data between departments, except for classified information.

But Qiu pointed out that local governments have to apply case by case to access data, and a systematic data sharing mechanism is still not in place.

"Efficiency is very low," she said. "If there are no specific standards, each government department will have their own concerns such as accountability over leaked information."

City Brain

While information sharing between the central and local governments may be lacking, Zhejiang, Guangdong and Shanghai are developing smart city projects that ease information sharing between governmental departments and agencies.

Alibaba Group Vice President Liu Song told our reporter that Zhejiang, where the company is headquartered, released its health code app quickly because the province had already set up a big data platform where more than 20 government bureaus could share and access data easily.

The city of Shenzhen established a complete data sharing mechanism for 74 government departments and 11 districts. Each year, data sharing has become an important factor in evaluating local governments. Nearly 18 million pieces of information are shared on the platform daily.

Liu added that providing regular people and end-users with access to big data during the pandemic is just as important.

He argued that a key reason behind the steady improvement in Zhejiang's pandemic controls is the government's internet-oriented policies. During the peak of the outbreak, more than 90 percent of public servants in 11 cities and 90 counties could work from their mobile phones.

When the coronavirus erupted in Wuhan in early January, its direct reporting system for contagious diseases failed to work, sparking public outcry. Chen Dongping said the national public opinion system also failed to respond and governments were not very vigilant about sharing sensitive data that may lead to a public health emergency.

Chen argued that while smart city systems were in place, they did not play a proper role, adding that policymakers seem to lack awareness of the uses of big data.

In September 2016, Alibaba launched its "City Brain" project. Implemented in 11 cities worldwide as of late 2019, the project aims

to use real-time data collection to optimise city governance by connecting with systems including emergency dispatch, ambulances and traffic light control.

Le Wenzhong, director of the Longgang District big data centre in Shenzhen, told *ChinaReport* that City Brains merely render data visualisations and have a long way to go before they can manage cities directly. He argued that instead, City Brains should serve as command centres for urban governance, service centres to store offline data, and centres of policy making.

Chen said an urban governance system's modernity depends on both technology and the people who use it. In the digital age, he added, pandemic controls should focus on precise and differentiated strategies based on big data and 3D mapping, but "some government officials think the more people involved, the better."

Challenges Ahead

According to the Chinese Smart Cities Development Report 2020 which was released by Qianzhan Industry Research Institute, a private Chinese research firm, city governments invested about US\$22.9 billion in smart city projects in 2019, an increase of 14 percent year-on-year.

To date, there are 749 pilot cities with smart city projects in development across the country that use advanced information technologies and the Internet of Things to integrate municipal services.

But over the years, Qiu said she found that local governments lack a clear understanding of what problems big data can solve. "E-governance is not the same as a smart city," she said.

Guo Renzhong, dean of the Research Institute for Smart Cities, Shenzhen University, argued that smart cities still lack sustainable top-level design and planning. Each government department operates independently, a shortcoming that became clearer during the coronavirus pandemic.

The pandemic also exposed weaknesses in emergency management. In its early stages, population flow was monitored mainly through surveillance cameras and verbal accounts from confirmed Covid-19 carriers. It was difficult to identify close contacts in a timely and precise manner.

"Precise management hinges on precise data," he said. "Data should be able to pinpoint each residential community, ride-sharing vehicle and individual."

Since late February, the central government has pledged to enhance the development of digital infrastructure including 5G, industrial internet, data centres and cloud computing – new areas of growth as the economy adjusts to the pandemic's impact.

Ren Zeping, chief economist of real estate developer Evergrande, predicted that smart cities would be a major area for China's latest round of infrastructure building.

"Smart cities are the largest application of 5G and AI technologies," he said. "They will drive hundreds of billions of yuan in investment." ★

Healthcare

Seeking the Drug Price Cure-all

China's ambitious group buying programmes aims to reform its centralised drug procurement system, curb bribery, ease financial burdens on patients and eventually reshuffle the pharmaceutical industry

By Li Mingzi

Public hospitals in 11 pilot cities are now required to group buy 60 to 70 percent of their total annual supply of certain drugs as part of the latest reforms to the centralised drug procurement system.

Previous public bids for drug procurement, which began in late 2018, only specified price, not quantity.

In January 2020, Chinese health authorities released a list of 33 drugs for group procurement. German pharmaceutical giant Bayer lowered the price of Acarbose, a drug used to treat type 2 diabetes, to 5.42 yuan (US\$0.77) per bottle, a 90-percent decrease compared to last year. Available in China since 1995, Acarbose cornered the country's market for diabetes medications.

Not only name-brand drugs, but generics have dropped in price.

Official data showed that 25 drugs named for bulk purchase bidding in December 2018 have dropped in price an average of 52 percent, ultimately saving buyers 25.3 billion yuan (US\$3.5b).

"We are stabilising market orders rather than repricing drugs," a representative for the National Healthcare Security Administration (NHSA) told *ChinaReport* in an email interview. "Drug price reduction is important to the public since China implemented its group buying programmes. In the long term, it is also important to guide how the industry develops."

Price Scheme

For years, Zhang Ping of Shexian County, Anhui Province has been taking Amlodipine for her high blood pressure. The medication, commonly prescribed to treat hypertension and coronary artery diseases, was unavailable at Chinese hospitals in early 2019.

As Anhui Province was not included in the pilot group buying programmes, Zhang had to buy similar drugs from another pharmaceutical company priced dozens of times higher.

The situation was similar in Shanghai. According to Gong Bo, director of the Drug Price and Bidding Department at Shanghai Healthcare Security Bureau, Shanghai was looking into group purchases in August 2012. Previously, there were considerable pricing differences between hospitals. Some drugs were several times more expensive than the market price while other drugs were priced near cost.

Before 2019, branded imported drugs were grouped separately from generic domestic drugs in the provincial drug procurement platform. This worked out for international firms, as there was less competition between imports to participate in the programmes. However, dozens of domestic pharmaceutical companies were left to scramble over a single slot.

In some provinces, more than a dozen pharmaceutical companies won bids for the

same drug, but hospitals would often pick one foreign and one domestic maker. This led to cutthroat competition between company representatives.

"China's high drug price stemmed from unscrupulous promotion tactics of pharma company reps. China's medical reforms over the past 20 years have a history of combatting such activities," a senior official from NHSA told *ChinaReport* on condition of anonymity.

Zhu Hengpeng, director of the Centre for Public Policy Research, Chinese Academy of Social Sciences (CASS), said that by the end of the 1990s, China had 16,000 pharmaceutical distributors, most of which were notorious for poor logistics and chaotic management.

Public hospitals have been the largest consumers of China's drug market. There are 2,709 drugs included in basic health, work-related injury and maternity insurance. Public hospitals contributed to roughly 80 percent of total drug sales nationwide.

Zhu Hengpeng said hospitals would profit from a combination of markups, public discounts from pharmaceutical companies and under-the-table kickbacks. As a result, hospitals would opt for higher-priced drugs with larger kickbacks, which eventually narrowed patients' choice for cheaper drugs.

"Drug purchases in large quantities have been crucial to eliminating collusion between hospitals and pharmaceutical company reps," the NHSA official said.

Chen Qiulin, director of the Division of Social Security of the Institute of Population and Labour Economics at CASS, told our reporter that while pharmaceutical companies are pessimistic about the group buying programmes, the public welcomed the prospect of lower prices. “Widespread public support is the biggest difference compared with previous drug pricing reforms,” he said.

In an October 2018 article headlined “Access to Antihypertensive Drugs in China” published in the American Heart Association’s weekly journal *Circulation*, Wang Jiguang, director of the Department of Hypertension at Shanghai’s Ruijin Hospital, and co-authors compared five common hypertension drugs in China and the US, including Amlodipine and Nifedipine. The article found that domestic drugs were priced between 1.5 and 6.25 times higher than those sold in the US.

“Drugs sold in China or the US are high in price but have different characteristics,” said the NHSA official. While generic drugs in the US are cheap and patented drugs are expensive, in China there are fewer innovative drugs available. Also, generics and imports are widely used but expensive. During the group buying opening bids, many international firms provided the lowest prices for generic drugs anywhere in the world.

“It sent a clear message to foreign-owned pharmaceutical companies that generic drugs should be sold at the same price and even cheaper in China than abroad,” said Gong Bo. “Only new innovative drugs should be sold at a premium.”

Industry Reshuffle

In May 2020, the drug procurement platform in Jiangsu Province announced that 188 medications were delisted from its website, including products from established pharmaceutical companies. According to the provincial healthcare security bureau, if three makers pass drug consistency evaluations for the same medicine, others that fail to pass are removed from the website.

Beijing released similar regulations and 843 medicines were removed from the local drug procurement website. On April 27, 2020, pharma firm Huadong Medicine in

Zhejiang Province said in its annual report that six of its generic drugs had been removed from the procurement list.

In a letter to shareholders, company head Lü Liang wrote that the golden era for innovative drugs has arrived and generic drugs are being phased out. The company plans to increase its R&D expenditure to more than 10 percent of its sales revenue in 2020.

“Market competition will force enterprises to innovate,” said Gong Bo, adding that there are hundreds of smaller drug firms producing the same generic drugs in China, but over the years many have failed to transform and upgrade their products. “They have to step out of their comfort zones and do away with their outdated production.”

According to an Ernst & Young industry report, China’s pharmaceutical market reached US\$1.37 billion in 2018, the world’s second-largest. Data from two of China’s previous group buys shows that most of the

firms that won public bids were either international or leading domestic companies.

Ding Yilei, deputy director of the NHSA’s department of drug pricing and bidding, told *ChinaReport* that drug price reductions stemmed from reductions in “unreasonable grey income” and transaction costs, saying that companies would have to remove unnecessary frills that bumped up the price.

A recent NHSA draft regulation outlines establishing a monitoring system for drug pricing and bidding among enterprises. Under the system, pharma firms would be held responsible for bribery committed by bidding agents, and discredited enterprises would be penalised.

“The pharmaceutical industry should expect a reshuffling from the drug group buying programmes,” Ding said. “For the long term, guiding industrial transformation is as important as alleviating the financial burden on patients.” ★



NEW HORIZONS

Chinese lawmakers assembled for the delayed two sessions to deliver a plan for action in the post-pandemic landscape





Two Sessions

Moving Targets

For the first time in decades, China has abandoned its GDP growth target for 2020 to focus on stabilising the economy and safeguarding jobs amid the ongoing coronavirus pandemic

By Xu Tian

After two months of delay because of the coronavirus outbreak, China held its annual two sessions in late May. As a keynote event on China's political calendar, the annual National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC) sessions serve as major platforms for China's decision-makers to present their policies.

Given the challenges posed by the health crisis, from economic turmoil to deteriorating relations with the US, the two sessions this year were significant as China sits at a critical juncture for its economic and diplomatic policies.

No Number

A focus of the NPC session was the annual GDP growth target, which many interpret as an overall indicator for China's economic policy. In 2019, the government set its growth rate at 6 to 6.5 percent.

But in the government work report delivered by Chinese Premier Li Keqiang, there is no mention of a specific GDP growth target for the first time in almost two decades. To most observers, the move to abandon a numerical growth rate came as no surprise, given the economic disruption and uncertainties caused by the ongoing coronavirus pandemic. China's economy in the first quarter dropped by 6.8 percent.

Zhang Liquan, a research fellow at the Development Research Centre of the State Council, told *ChinaReport* that abandoning a specific growth target is the most sensible thing to do. "It's meaningless to set an annual growth target in the middle of the year."



While quite unusual, giving up on a growth target is not unprecedented. The last was the three-year period between 2000 and 2002 in the aftermath of the Asian financial crisis, which struck in 1997 and caused an economic meltdown across Asian countries.

"Back then, China faced serious economic difficulties and was challenged by great uncertainties, especially in 2000 and 2001," Liu Yuanchun, an economist and vice-president of the Renmin University of China, told *ChinaReport*. Liu said that China now faces a similar situation, as the coronavirus pandemic continues in much of the world and triggers political, economic and social unrest.

"Focusing on GDP growth could distract China from the core issues that it needs to address," Liu said.

'Soft' Indicators

Instead of focusing on a GDP growth figure, the government report laid out several "softer" economic indicators. For example, it pledged to create an additional nine million jobs in urban regions and keep the unemployment rate between 5.5 percent and 6 percent. In 2019, China created 13.52 million new urban jobs.

The central government pledged to limit consumer price index (CPI) growth to 3.5 percent, compared to 3 percent last year.

The government also pledged to ensure that growth in individual income would be in line with overall economic growth. It vowed to eradicate absolute poverty in rural regions and to increase the average income of all counties officially designated as impoverished.

Ensuring people's livelihood and employment was among the



PHOTO BY XINHUA

The third session of the 13th National People's Congress (NPC) opens at the The Great Hall of the People, Beijing, May 22, 2020

report's top priorities. The words "livelihood" and "employment" were mentioned 21 and 39 times, compared to 10 and 25 times last year.

"These targets reflected a bottom-line mentality regarding China's approach to its macro-economic policy by focusing on the primary concerns of the economy and seeking to grasp the certainties amid the uncertainties," said Gao Peiyong, vice president of the Chinese Academy of Social Sciences.

The approach conforms with the guideline from a politburo meeting held on April 14, when the central leadership outlined six major areas for the government to prioritise. Dubbed the "six guarantees," the leadership vowed to ensure adequate employment, secure basic livelihoods, protect market players, safeguard food and energy security, stabilise the industrial supply chain and maintain normal functioning at the grass-roots level.

But to achieve these goals, the government needs to drastically expand spending, which is challenging given many local coffers were depleted during the health crisis.

In the first four months of 2020, overall government revenues decreased 14.5 percent. In some cities and counties, revenues were more than halved. "Given the combined impact of the economic slowdown and massive tax cuts to deal with the health crisis, some regions, especially in central and western China, will see a drop in government revenues this year," Chan Yan, mayor of Guiyang, capital of Guizhou Province in Southwestern China, told *ChinaReport*.

To boost financial resources, Premier Li pledged that China would increase its deficit-to-GDP ratio from 2.8 percent in 2019 to 3.6

percent, an injection of 1 trillion yuan (US\$140b) of government revenue, into the economy. In the meantime, the central government would issue another 1 trillion yuan in special treasury bonds.

To make sure funds are used more effectively, the government has set up a special payment mechanism to have funds sent directly to city and county level departments.

"By allocating 2 trillion yuan (US\$280b) to local governments directly, the central government has to limit its own spending to ensure effective economic operation at the grass-roots level," said Liu Yuanchun, "It's a special arrangement of financial power between the central and local governments."

Besides funds from the central coffers, local governments can issue special bonds collectively worth 3.75 trillion yuan (US\$524b), or 75 percent more than last year. The funds will focus on new infrastructure, urbanisation and major civil engineering projects, which officials believe are key to creating jobs and boosting consumption.

Guiding Growth

For many experts, despite the lack of a designated national GDP target, China still needs to maintain a considerably high growth rate to achieve its economic goals.

Liu Yuanchun, for example, told *ChinaReport* that based on his team's estimates, the economy must grow by over 4 percent in 2020 for the government to achieve its employment and livelihood targets. "If the growth rate is below 4 percent, it will be impossible to create nine million new jobs in urban regions," Liu said.

Based on the government's targeted 3.6 percent deficit ratio, another study by Li Xunlei, chief economist of Zhongtai Securities, projected a GDP growth rate of between 3-4 percent.

According to Zhang Liquan, the absence of a national growth target will give local governments more freedom to make adjustments. In the past few months, provinces have released their own targets. Sichuan Province, for example, is eying a GDP growth rate of "2 percent higher than the national average."

Provincial capitals have also set specific targets. Hohhot, capital of Inner Mongolia Autonomous Region, is aiming for 6 percent. Hangzhou, Zhejiang Province and Jinan, Shandong Province have targeted 6.5 percent. Some are even more ambitious. Taiyuan, Shanxi Province has set 7 percent. Xi'an, Shaanxi Province will reach for 7.5 percent.

According to Li Daokui, director of the Centre for China in the World Economy at Tsinghua University's School of Economics and Management, given the prolonged impact of the pandemic, China should adopt more long-term economic policies for the next few years instead of setting annual goals.

"The best-case scenario would be that China regains a growth rate of 6 percent or higher in two or three years," Li said. ★



Two Sessions

Data-driven Recovery

People wait to be seated at a hotpot restaurant in Chengdu, Sichuan Province, May 13, 2020

Helping market entities should be the top priority in keeping the fundamentals of the economy, and assistance should be precisely targeted with big data to ensure efficiency

By Wang Quanbao and He Bin

In the 2020 Government Work Report delivered on May 22 at the 13th National People's Congress (NPC) held in Beijing, six areas, including job security, basic living needs, operations of market entities, food and energy security, stable industrial and supply chains, and the normal functioning of primary-level governments are highlighted as the bottom line of development in which security must be maintained "in order to ensure stability on the six fronts." This refers to employment, the financial sector, foreign trade, foreign investment, domestic investment and expectations.

"Maintaining security will deliver the stability needed to pursue progress, thus laying a solid foundation for accomplishing our goal of building a moderately prosperous society in all respects," says the Work Report.

The six areas have been a concern of Bai Chongen, dean of the School of Economics and Management at Tsinghua University in Beijing and a member of the Chinese People's Political Consultative Conference, also held in Beijing. One of the two proposals Bai submitted this year is on how to use big data to help market entities and the other explores the possibility of organising young people into volunteer teams to help lower the youth unemployment rate.

"At this moment, the policies should be as flexible and pragmatic as can be to meet demand, whether it is increasing the deficit or releasing more money. We need to survive first, so the capacity for economic growth will not be permanently harmed," Bai said in an interview with *ChinaReport* in which he discusses what the government can do to help enterprises and how to ensure efficiency and fairness in the process.

ChinaReport: What can the government do to boost the economy in the wake of the Covid-19 pandemic?

Bai Chongen: In the short term, I think it is most important to help market entities. It will be hard for the economy to recover if too many enterprises go out of business. But in the process, companies that need aid the most should be prioritised while resources are limited, as I mentioned in my proposal.

Next, guaranteeing people's basic livelihoods and employment is also important. Many people are unemployed or have seen their income greatly reduced now that the economy is not going well, so they need help too, though the aid for them may not be as much as that for market entities which have suffered huge losses during the pandemic.

The unemployment rate for April was around 6 percent, only 0.1 of a percentage point higher over March, but young people between 16 and 24 are suffering a higher rate of unemployment at 13.8 percent.

I believe it is important to help low-income groups and create jobs for young people to avoid social instability. I proposed that the government organise college graduates who have difficulty finding jobs into volunteer teams to pull through this hard time in the job market. There are a lot of things these volunteer teams can do, such as helping teach students who are not doing well through online learning that has become the norm during the pandemic. When the economy gets better a year later, these graduates could return to the job market.

CR: How can big data help market entities?

BCE: How long the impact of the pandemic will last depends on whether we can successfully keep market entities sound. If all enterprises can survive, the economy will recover quickly after the pandemic is over. But if too many enterprises die, the economy is not going to recover soon, since it takes time for new companies to replace the old ones. That's why I've been concerned about market entities.

I think it's necessary to provide targeted assistance to companies that have suffered but which still have good prospects. Big data could step in to help us find these companies.

We have the relevant data at hand, actually. Administrative data such as tax data, for example, is more accurate and richer than statistical data. Now the management of value-added tax (VAT) invoices is strict enough to fully reflect transactions. We could use VAT invoice data to calculate just how much a company's domestic sales were affected. By grouping companies in specific sectors together, we could figure out the impact on that industry. These calculations could help decide where the priorities lie in the government's bailout efforts.

Of course, industries which receive aid must show there is promise, not those with poor potential or excess capacity. We do need to spot the companies in need first.

CR: How can the government go about targetting different industries?

BCE: These industries fall into two categories. Some have resumed production and sales but are not achieving their sales goals. For the consumption sector in which the decline in sales is caused by a lack of desire to consume, coupons could be designed to accurately target these fields to increase demand. For other sectors, the specific circumstances should be considered in deciding whether and how to increase demand.

For industries that have not resumed production or sales yet, such as international tourism, there needs to be measures to reduce the costs for these companies. If reducing costs is not enough to keep the company running, there could be subsidies or financial assistance from the government.

Specific support measures could include reducing or postponing VAT, income tax or social security contributions and encouraging financial institutions to reduce the cost to companies of getting loans,

or extending existing loans. The government could also encourage the financial sector, guaranteed by the treasury department, to offer special loans to companies in dire straits. The sum and term of the loan should be determined by a company's labour costs and the degree of impact on the industry it belongs to. A firm's labour costs could be calculated via social security contributions and individual income tax data. When the loans become due, companies that have met certain conditions, like having kept workers on the payroll, for example, could be exempt from repaying all or part of the loan. The treasury department could bear the resulting cost.

To sum up, when designing relief policies, the differences among industries should be taken into consideration to ensure targeted policies and reduce implementation costs. But for different companies in one industry, the assistance should be consistent to avoid situations in which poorly run companies or those who exaggerate their hardship get more help instead. Otherwise, it may lead to moral hazard and dampen other companies' enthusiasm.

CR: What is your prescription for the Chinese economy in the long run?

BCE: The long-term impact is mainly from outside. Internally, despite the short-term shock from the pandemic, the economy will gradually recover as long as companies survive and the pandemic is kept under control. But the external environment is full of uncertainties. On the one hand, an anti-globalisation trend is gathering momentum. As the pandemic swept the globe, some countries bought masks from abroad but they got intercepted by a third country.

Under these circumstances, some countries might hope to build a self-sufficient supply system and are starting to take action to address them. Meanwhile, some Chinese companies and transnational ones in China might move some production to other countries to reduce risks. These companies need to sell products to other countries. If they keep relying solely on China, if trade frictions escalate, their sales channels might be blocked entirely by the possible imposition of trade barriers.

All of these factors will affect China's economy. We need to constantly expand domestic demand to offset these bad influences. I believe the potential for China's domestic demand is huge. It is also in line with China's goal to keep improving people's lives.

Other major uncertainties for China stem from some countries' control, or even malicious manipulation out of political need, of key technologies. For China, this will affect the supply of key components and the international supply chain. Just like the measures to help market entities, the measures to stabilise the supply chain should be carefully designed. Among the different industrial chains, data could help us find out which are at higher risks [and thus need more help].

I think some de-Sinicisation voices in the world at present are overreactions due to the pandemic. I've had discussions with some entrepreneurs about this. These impacts on the supply chain have happened before. They look terrifying when they emerge, but after a while you find they were small probability events and everything will get back on track. The pandemic is a once-in-a-century event, too. We should not overreact to other countries' overreactions. ★



PHOTO BY CNS

Two Sessions

Boosting the Links

A worker checks the quality of inductors slated for export at a manufacturing plant in Suqian, Jiangsu Province, April 1, 2020

Despite its competitiveness in manufacturing, China still needs to bolster international cooperation and improve its business environment to make its supply chains more resilient

By Wang Quanbao and Jiang Xuan

Since the Covid-19 pandemic disrupted the global supply chain, concern is rising over possible shifts of foreign capital and production activity out of China. The 2020 Government Work Report delivered on May 22 at the third session of the 13th National People's Congress, China's top legislature, warned that the pandemic "has sent the world economy into severe recession, disrupted industrial and supply chains, and caused a contraction in international trade and investment and volatility in commodity markets." The Work Report pledges that China will "stay committed to opening our door wider to the world, keep our industrial and supply

chains stable, and make opening up a catalyst for reform and development."

Before that, the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee decided at a meeting on May 14 to build a "new development pattern" in which upgrading the domestic supply chain and international coordination match and reinforce each other.

In this context, what should China do to mitigate external shocks to foreign trade and investment? How can China achieve its long-term goal of a new development pattern? In an interview with

ChinaReport, Zhu Min, director of the National Institute of Financial Research at Tsinghua University and a former deputy managing director of the International Monetary Fund (IMF), gives his insights on these questions.

ChinaReport: How has the pandemic affected China's supply chains?

Zhu Min: The influence is mainly seen in the automotive, electronics and heavy machinery sectors, as their production in China still needs collaboration with products and production lines from other countries. But the actual impact on China's overall supply chains is limited. Our analysis on the dependency of China's supply chains on other countries proved that China's supply chains are more closely linked with those of other Asian countries, particularly Japan and South Korea. These markets are relatively stable thanks to their early containment of the pandemic.

The particular shocks to supply chains during the pandemic were caused by non-market factors. Some far-right extremists, particularly some from the US, for example, preached de-Sinicisation in terms of supply chains. This caused uncertainties in global supply chains.

Global supply chains are a natural result of market-oriented resource distribution in the process of globalisation and technology development. By 2000, there were two major global supply chain clusters: one is the European supply chain with Germany at the centre and the other is the pan-Pacific supply chain with the US at the centre. Then China gradually developed into a manufacturing power after carrying out opening-up and market reforms since joining the World Trade Organisation (WTO) [in 2001]. Now there are two and a half supply chain clusters. One remains in Europe, with Germany still at the centre and at the top, while Central-Eastern countries like the Czech Republic, Slovakia and Poland at the lower end. The other is in Asia, or the Asia-Pacific region, where a global and vertical supply chain has formed around China. Japan, South Korea, Thailand and other ASEAN countries have all been attracted to this chain because China has developed the largest and most complete manufacturing system in the world. The country's manufacturing output dominates the world and is equal to the total output of the US, Germany and Japan combined. The previous US-centred cluster gradually dwindled into a half chain in North America including the US, Canada and Mexico. The US had expected to join with Mexico to rival China's manufacturing capacity, but this failed.

CR: What role does China play in the global supply chain?

ZM: As the hub of the pan-Asia and pan-Pacific manufacturing cluster, China is the only country to have all the industrial categories listed in the United Nations industrial classification. It plays a pivotal role in global manufacturing chains in terms of scale and the com-

pleteness of product lines. But China is mainly located at the middle and lower end of the global value chain, taking up only a small share in the higher value-added upper end. This is where China's supply chain falls short.

Science and technology are crucial for future stabilisation of the chain and expansion of manufacturing. It is important for China to enhance R&D and catch up on producing upstream products by supporting high-end technologies, basic industries and industrial clusters in key areas. The new infrastructure construction proposed recently, which highlights 5G, smart industrial networks and the Internet of Things is an important beginning.

The US's lead in science and technology is related to its National Information Infrastructure Act of 1993, which laid the foundation for the development of tech companies in the US. Now China is at a similar phase. The new round of infrastructure, once completed, could make it possible to digitalise and stabilise the supply chain.

CR: The 2020 Government Work Report attaches great importance to stabilising foreign trade to ensure a steady supply chain. What is your advice for recovering and stabilising foreign trade?

ZM: The plunge in trade has been the biggest shock to the global economy this year. The IMF predicted this year's global trade to drop 11 percent. A forecast we made in March tells of a fall of 15-20 percent this year. Stabilising the supply chain for foreign trade has become an important mission for the world.

First of all, trade financing should be reinforced. In the 2008 financial crisis, global trade dropped 9 percent, although the economy declined only 0.5 percent, because trade financing was cut off when enterprises tried to export. European banks cut trillions of euros in trade financing to their clients in Asia. The arrangements on global trade financing reached at the G20 summits in London and Pittsburgh in 2009 were an important reason behind the strong economic rebound afterwards.

Second, it is important to improve customs clearance efficiency to promote flow of factors [such as capital and goods]. Currently, customs formalities are cumbersome [due to the pandemic]. China could work with the WTO and World Health Organisation (WHO) and propose establishing customised sanitary standards for customs clearance in different regions according to the level of pandemic risks. China has pushed forward a lot of trading reforms in the past two or three years which focus on improving customs clearance and reducing trading costs.

CR: The strategy of a "new development pattern" in which domestic development and international cooperation should reinforce each other was proposed by the Standing Committee of the Political

Bureau of the CPC Central Committee on May 14. Why is this strategy significant?

ZM: The strategy was put forward taking into consideration labour costs, science and technology development and changes in the international political ecology. It is in line with China's status quo and the trend of globalisation.

China has the biggest commodity market, the largest manufacturing scale and the most complete industrial categories in the world. This makes it possible for self-sufficient domestic circulation of resources in China. The reallocation and adjustment of internal resources is important to stabilise China's domestic supply chain. But internal circulation must develop in sync with international markets, as China needs collaboration with global supply chains and vice versa. China still relies on imports when it comes to upstream tech-intensive patented products, particularly high-end chips, heavy-duty engines, precision motors, tooth gears and heavy equipment bearings. China needs exchanges with the international supply chain in these areas. Meanwhile, these products have to be combined with China's manufacturing capacity to keep the supply sustainable.

Foreign capital continues to hold a positive attitude towards the China market. This is why it keeps joining in China's internal supply chain system and contributes to the construction of the internal and external supply chain systems. At the peak of the pandemic, US\$100 billion in foreign capital flowed out of emerging economies, three times as much as that in 2008. By contrast, US\$4 billion in foreign capital flowed into China in this period. It proves that foreign enterprises are still confident in the market and the supply chain in China.

The new strategy stresses laying a solid foundation at home based on the huge domestic market while staying connected with the global market. This means a lot for the Chinese people and even the global economy in the future.

CR: There are concerns over the withdrawal of foreign capital and the shift of manufacturing facilities away from China. What is your comment?

ZM: China boasts the world's largest manufacturing sector with the world's largest supply chain. This is China's most important attraction and competitive edge to the rest of the world. When I was formulating an AI development strategy for Shenzhen I found, for example, that the science and technology advantage of Shenzhen relies heavily on the complete manufacturing chain in the city and neighbouring areas. The developed, completely market-oriented and flexible manufacturing sector there allows innovative companies to put their ideas into reality quickly, even when the designs are changing constantly. It shortens the response time to the changes in demands and technology and reduces the cost of coordination. It is where the core advantage of China's supply chain lies.

Several times in the past 10 years or so, the US has called to move their supply chain back, but instead ended up with increasing outflow of manufacturing. It is a result of market competition and the division of labour. Today, some far-right extremists are lobbying to attract enterprises back to their home country and instigating Japanese and European companies to withdraw from China. It's easier said than done.

Selecting production sites is a business decision borne out of the needs of companies. If a government turns the market-oriented allocation of resources into that of administrative-oriented allocation out of political concerns, global economic efficiency will be impaired. It is the last thing we want to see. Several years ago, the US demanded big tech companies bring their cash back to the US, but with little effect. Business has its own rules. Bringing manufacturing back will be way more challenging than getting cash back.

CR: What can China do to maintain the stability of the international supply chain?

ZM: China needs to further raise the level of opening-up, keep improving its business environment and strengthening intellectual property protection to make its market more attractive.

The services sector has the highest concentration of intellectual property (IP), and there is a lot to do to enhance IP protection. On April 26, Shanghai held its first conference on IP protection, where the government announced its plans to build the city into one of the best in the world in protecting IP within five years. To achieve this, it will improve its legal system, court system and multiple channels for filing IP complaints. There is clear protection for patents. Now many practical issues, like how to hold insiders who leak proprietary IP accountable, also need to be clarified. It is an important indicator of a soft environment.

China was one of the first to get the pandemic under control, giving China a window of opportunity that the country cannot miss. A system should be installed which can do smart testing, track patients and their close contacts and treat patients in time. In the meantime, more efforts should be made to improve the public health system and storage of medical resources. Enhancing the capability to handle another wave of the virus will win support from smart people in global financial and business circles. China can cooperate with other external forces, starting with key fields such as the medical industry, to push forward the recovery and stability of global supply chains.

The Covid-19 pandemic is spreading to emerging economies such as Brazil, India and Russia. Guaranteeing the stability of supply chains and expanding the capacity of medical resources and equipment are necessary for the whole globe. It is a big humanitarian issue which requires cooperation among the WTO, the WHO, China, the US and other countries. ★

全力支持建立健全香港特別行政區 維護國家安全的法律制度和執行機制

Full support for establishing and improving
the legal system and enforcement mechanisms
for the HKSAR to safeguard national security



Hong Kong leader Carrie Lam (centre) and senior officials vow support for improving the legal system and enforcement mechanisms for the HKSAR at a press conference in Hong Kong, May 22, 2020

PHOTO BY CNS

Two Sessions

Hong Kong Security Law: Curse or Cure?

China's decision to launch a national security law for Hong Kong following last year's unrest in the city once again triggered controversies and confrontation with the US

By Yu Xiaodong

On May 28, the National People's Congress (NPC), China's legislature, approved a decision to enact a national security law for Hong Kong. The decision authorised the NPC Standing Committee to formulate laws for the Hong Kong Special

Administrative Region (HKSAR), which will outlaw "secession, subversion, terrorism and conspiring with external forces."

The new law will be added to Annex III of the Basic Law, the mini-constitution of Hong Kong, and be implemented in the

region, which means the law will not need to go through Hong Kong's Legislative Council (LegCo).

The decision does not provide a timetable for the national security law, but analysts expect it to be implemented within months, probably by the end of the year. The decision immediately triggered criticism from the West. In Hong Kong, the decision received a divided response, lauded by the pro-establishment camp but lambasted by the opposition camp.

Unrest in Hong Kong

The legislation is considered a response to large-scale protests and political unrest last year that plagued Hong Kong for more than eight months. Triggered by a now abandoned extradition bill between Hong Kong and some 20 other territories including the Chinese mainland, the initially peaceful protests quickly turned into an anti-government movement, demanding that Carrie Lam, chief executive of Hong Kong, should step down, as well as demanding universal suffrage without any nomination process for chief executive candidates.

But the movement turned increasingly violent. On July 1, 2019, protesters stormed the LegCo building and committed acts of vandalism. For several days, protesters occupied and paralysed Hong Kong's international airport. As protesters adopted a three-no principle – no breaking-up, no criticising each other, no internal division – meaning that they will not condemn violent acts committed by those on their side, regardless of how severe it was, there emerged a coalition between the moderate pan-democratic camp and more radical pro-independence groups.

As anti-mainland sentiment ran high, businesses perceived to be friendly to the mainland were “decorated,” a codeword for vandalising and burning among protesters. Mainlanders and Hong Kong residents perceived to have pro-Beijing views were subject to physical assaults.

According to Hong Kong authorities, in the second half of 2019, 1,200 residents were injured by rioters, including a 57-year-old man set on fire by a group of protesters, who he had argued with as they were vandalising a subway station. The video of the man being set on fire which went viral on social media triggered a major outcry in both Hong Kong and the mainland.

In the meantime, Western politicians' apparent support of the protests, called “a beautiful sight to behold” by US House Speaker Nancy Pelosi, further angered Beijing. It was perceived by China's central government as an orchestrated effort by external forces and separatists in Hong Kong to promote what Chinese officials called a Hong Kong version of a “colour revolution.”

During the months of unrest in Hong Kong, Chinese officials on several occasions declared that it would not tolerate Hong Kong



A pedestrian shows her support for police officers at the Kowloon entrance of the Cross Harbor Tunnel in Hong Kong, November 11, 2019

being used by external powers against China as a base to disrupt the Chinese mainland's political system, or for Hong Kong to be mired in unrest or to split from the mainland. A national security law for Hong Kong appears to be the answer for the Chinese government.

Legal Questions

As one of the few places where there is no anti-espionage or national security law in the world, Hong Kong, a former British colony, has long been dubbed “Asia's spy hub,” a position highlighted when Edward Snowden, the whistleblower and former CIA contractor who exposed the existence of PRISM, a US surveillance programmes, fled to the city in 2013.

In Hong Kong, Snowden told the media that “we've got a CIA station just up the road and the consulate here in Hong Kong.” The existence of US intelligence agencies has long been an annoyance to the Chinese government.

Under the Basic Law, which lays the foundation of “one country, two systems,” Article 23 stipulates that the HKSAR “shall enact laws on its own to prohibit any act of treason, secession, sedition, subversion against the Central People's Government, or theft of state secrets, to prohibit foreign political organisations or bodies.” In 2003, the Hong Kong government attempted to introduce national security legislation, but it was forced to shelve it in the wake of mass protests.

As the NPC approved the proposed national security law, the question is whether the central government has the legal power to do so.

Pointing to Article 23, critics of the law argued that such a law has to go through Hong Kong's LegCo, and therefore the NPC has no authority to impose it. In a statement, the Hong Kong Bar Association argued that it is "within the autonomy of the HKSAR to enact the relevant laws," referring to Article 23.

But for supporters of the national security law, Article 23 only spells out the legal obligation of the HKSAR to enact national security laws, which the city has failed to do. It cannot be interpreted as the central government having given up its legislative power.

Hong Kong's Secretary for Justice Teresa Cheng Yeuk-wah said that it was legitimate for the NPC to enact such laws based on Article 18(3) of the Basic Law, which stipulates that national laws "related to defence, foreign affairs and matters outside the limits of autonomy of the HKSAR" can be incorporated into Annex III of the Basic Law and implemented in the city.

Calling the Hong Kong Bar Association's interpretation an act of "cherry-picking," Cheng said that national security matters are among those outside the limits of autonomy of Hong Kong and that Hong Kong and the NPC share legislative power in this regard. Hong Kong's failure to enact relevant laws after 23 years since the transfer of governance back to China only makes it more legitimate and urgent for the NPC to do so, not the opposite, Cheng said.

Financial Hub Status

Besides the legal questions, a focus is the impact of the proposed national laws on Hong Kong's status as the world's financial hub. Sentiments on this issue appear divided.

According to a survey conducted by the American Chamber of Commerce in Hong Kong (AmCham), 80 percent of 180 US companies in Hong Kong said they are concerned about the proposed national security laws' impact on the business environment, freedom of speech and civil liberty.

By comparison, Hong Kong's local business sector remains largely optimistic about the city's future. According to a survey conducted by the Hong Kong General Chamber of Commerce following the approval of the national security law, about 61 percent of 418 respondents said the law would either have a positive or no impact at all on their businesses in the long term. While 54 percent said they are concerned about a negative impact, their concerns are mostly over possible foreign sanctions, rather than the law itself.

As the proposed laws drew strong criticism from Western politicians, US Secretary of State Mike Pompeo declared that Hong Kong was no longer autonomous from China. At the height of the unrest in Hong Kong last year, the US Congress passed the Hong Kong Human Rights and Democracy Act of 2019, which obliges the US State Department to issue a determination on Hong Kong's

autonomy each year. On May 29, one day after the NPC approved the national security law proposal, Trump threatened that he would take steps to revoke Hong Kong's favoured trade status with the US, and other agreements ranging from an extradition treaty, export controls and technologies.

But many are sceptical about how far Trump will go. With 1,300 American companies operating in Hong Kong and 85,000 American citizens living there, punishing Hong Kong could hurt US interests more than Chinese. The city, treated separately from the Chinese mainland, was the source of the largest bilateral US goods trade surplus, recorded at US\$26.1 billion last year.

Beyond 2047

To boost people's confidence in Hong Kong's future, Zhang Xiaoming, deputy director of the Hong Kong and Macao Affairs Office (HKMAO) said that the national security laws are meant to strengthen, not undermine the "one country, two systems" principle.

In a 40-minute speech delivered through Facebook on June 8, Zhang said that the new legislature would only target the four crimes of secession, subversion, terrorism and foreign intervention, and the vast majority of Hong Kong people would benefit from the law, as peace and order would be restored.

"For the majority of citizens, the legislation will provide them more protection," he said. "They will be free from the fear of violence. They can ride the trains and go shopping freely, and they can speak freely on the street without fear of being attacked."

Zhang also touched upon the sensitive issue regarding the city's future beyond 2047. Based on the "one country, two systems" principle, Hong Kong is allowed a high-degree of autonomy for 50 years post-1997. A widely held assumption is that after the arrangement expires in 2047, Hong Kong will lose its special status, which is a source of anxiety for residents.

In his remarks, Zhang said that the national security laws would ensure the freedom the city now enjoys could extend beyond 2047. "The stronger the commitment to national security, the more room there would be for the 'one country, two systems principle,'" Zhang said.

According to the *South China Morning Post*, Zhang's speech "marked the most candid and comprehensive explanation yet from a high-ranking official on the need for the controversial national security legislation."

But as the specifics of the national security laws are yet to be formulated, not only the controversies and confrontation surrounding the proposed laws will continue in the following month, it will become a major point of contention in what many call an emerging "cold war" between the US and China. ★

Two Sessions

Bringing the Law up to Code

After decades of attempts, China has finally signed off on its first comprehensive Civil Code, which aims at better protecting private property and interests

By Zhou Qunfeng

On May 28, the National People's Congress (NPC), China's legislature, approved the country's first comprehensive Civil Code during its annual session. The Civil Code is aimed at strengthening legal protection for Chinese citizens, especially in the areas of private property and privacy rights, as well as shoring up private sector confidence.

Seen by many Chinese legal experts as a cornerstone for legal reform, the new Civil Code has 1,260 articles and seven chapters. These cover general provisions, and six sections on property, contracts, personality rights, marriage and family, as well as inheritance and tort liability.

Considered as an "encyclopedia of people's lives," a civil code is a law covering the private sphere which, after a nation's constitution, is a key component of a modern legal system. China's efforts to enact a civil code can be traced back to the mid-1950s, a few years after the People's Republic of China was established in 1949.

Using the civil code of the former Soviet Union enacted in 1922 as a model, a draft was finished in late 1956. But political turmoil in the late 1950s soon put the legislation on the backburner. Although another draft of a civil code was made in 1964, it was abandoned when China descended into chaos and unrest during the Cultural Revolution (1966-1976).

According to Wang Liming, an expert in civil law and the Vice President of the Renmin University of China in Beijing, the absence of a civil code during the pre-reform era of the planned economy was because there was no market economy. "Back then, people simply didn't have much private property, so a civil code was irrelevant," Wang said.



Reform Push

When China started its reform and opening-up policy in the late 1970s, civil code legislation was back on the agenda. As the work to draft the code dragged on from 1979 to 1982, it met strong resistance from conservatives. “As China tried to transform from a planned economy to a market economy, every step was difficult,” said Meng Qiang, a law professor at the Beijing Institute of Technology.

Eventually, a compromise was struck. Instead of launching a civil code package, authorities took a piecemeal approach to first enact separate legislation on specific issues. “The rationale was the same as the overall approach China took regarding its reform and opening-up policy, known as ‘wading the river by groping for stones,’” said Jiang Ping, a well-known jurist, who served as vice-director of the Standing Committee and the Legal Committee of the NPC during the period.

Under this approach, Chinese lawmakers enacted the General Principles of the Civil Law in 1986, which laid the rudimentary foundations for protecting civil rights. In the following years, other laws were enacted on individual issues, including a product quality law in 1993, a contract law in 1999, an intellectual property protection law in 2003 and a property rights law in 2007.

During this period, civil law was discussed in 2002, but once again went nowhere. It was not until 2014, when China’s current leadership assumed power and highlighted the importance of establishing a complete legal system, that enacting a civil law was once again listed as a priority. In 2017, lawmakers approved the General Provisions of the Civil Law, paving the way for a full-fledged civil code. Then, in December 2019, a civil code draft was finally submitted to the NPC.

Significant Step

Those unfamiliar with the historical development of China’s legal system may find it hard to grasp the significance of the Civil Code, especially as it appears to be an amalgamation of existing law.

According to Sun Xianzhong, a civil law scholar and an NPC deputy who participated in the drafting of the Civil Code, it is a significant development in both the symbolic and empirical sense.

Symbolically, it marks the end of an era, before which China had no comprehensive civil law, which is deemed the “civil constitution” of a modern society. Empirically, the Civil Code will improve the protection of people’s civil rights, Sun said.

“China’s existing civil laws are not only fragmented, but were enacted in different periods and follow different approaches which can conflict with each other,” said Wang Liming.

Wang told *ChinaReport* that in practice, a business dispute can be subject to the jurisdiction of different laws at the same time. A dispute on a retail purchase can be subject to the law on protection of consumer rights and interests, contract law and tort law at the same time.

“Different courts can apply different laws to similar cases, which led to completely different rulings. This led to confusion among consumers and business owners,” Wang said. With the new Civil Code, which incorporates existing civil laws, courts now finally have the same legal document on which to base their rulings.

Better Protection

Besides streamlining existing laws, the new Civil Code also clarifies other major legal issues of public concern. On the relationship between the private and the State economy, the Civil Code clearly states that there is equal protection of the rights of the State, collectives, private persons, and other rights figures.

It is the first time the principle of equal protection has been written into national legislation, which experts believe reflects a strong political will coming from the top of the need to protect private property rights.

Regarding land rights for urban residents, the law explicitly stipulates that homeowners’ rights to the land under their residences will be automatically extended after the lease of the land expires, a guarantee that China’s new generation of property owners had been waiting for.

Under China’s law, all land designated as urban is owned by the State. Homeowners in China own their actual dwellings, but the land underneath is only leased to developers and homeowners, typically for 70 years.

As the leases of some of homes developed in the early years are about to expire, there was speculation that homeowners would be required to pay a hefty fee to extend the lease on their own home. The new Civil Code has provided peace of mind for millions of homeowners.

Regarding rural land rights, the new Civil Code clarifies that farmers have the right to transfer land use rights to other people. Under Chinese law, rural land is owned collectively by a rural community, which are then contracted to individual rural households, typically for 30 years.

Given the demographic changes in rural regions as many rural dwellers have moved to cities for work, China allowed farmers to trade land use rights without transferring the land ownership to promote agricultural development. Experts believe that the new Civil Code marks the official legal recognition of the separation of the ownership rights, contract rights and management rights, paving the way to free up the rural land market.

Other than land rights, the new Civil Code devotes a whole chapter to the issue of personality rights, sometimes known as the right of publicity, a move applauded by many legal experts as a major breakthrough.

The law outlines that people have the rights to their name, title, portrait, reputation and privacy. It also adds new articles on protecting personal information, including personal emails, travel history and biometric information.

Other major highlights of the Civil Code include the recognition of fetal rights, a 30-day cooling-off period after a couple files for divorce, and the separation of the rights of property occupation and ownership to protect the rights of renters, the elderly and vulnerable people. In the environmental sphere, it states that those causing suspected ecological destruction, in addition to environmental pollution, are liable to be sued.

According to Wang Liming, the Civil Code, which comes into effect on January 1, 2021, will be significant in responding to the rapid changes China has encountered in recent decades. ★



A patient in a persistent vegetative state at Yansheng Nursing Home for Disabled People in Miyun District, Beijing, April 3, 2020

PHOTO BY ZHANG TAO

UNSEEN AND UNAWARE

China only has one specialist facility for people in a persistent vegetative state and its founder is struggling to gain recognition and support for its patients

By Mao Yijun and Xie Ying

Sun Ying (pseudonym), 83, has been in a persistent vegetative state (PVS) for three and a half years. She lies with her arms permanently folded across her chest in a nursing home in the north of Beijing, where every week, her two sons take their families to visit her in turns, though they might never receive any response.

Sun is among the 30 patients to have been admitted into the Chinese mainland's only nursing home for PVS patients. Established in 2015, Yansheng Nursing Home for Disabled People is in a remote village in Beijing's Miyun District. Hidden behind trees and a construction site, it is hard to spot, as there is not even a sign on the gate.

Xiang Jiuda, Yansheng's founder, is the only doctor. He told *ChinaReport* that his nursing home has never received any preferential treatment from the authorities nor is it authorised to issue a death certificate. In this case, they need to call the emergency services to go through the formalities.

According to incomplete media statistics, the number of PVS patients in China increases by 70,000-100,000 every year and estimates suggest there are 300,000-500,000 people diagnosed as being in a persistent vegetative state. Yet, due to a lack of resources and little care from authorities and society, most PVS patients, Xiang said, ended up dying in their own homes with no proper medical attention.

Remote, Small Home

Before establishing the nursing home, Xiang had worked as a neurosurgeon at Miyun People's Hospital for over 20 years. He resigned from a desire to further his career and focus more on people in a persistent vegetative state.

Being in a persistent vegetative state is different from being in a coma. The internationally recognised definition of a coma is one of lacking awareness and wakefulness. PVS means a level of wakefulness but no signs of awareness. People can wake from a coma but still be in a persistent vegetative state. It is also referred to as post-coma unresponsiveness or unresponsive wakefulness syndrome. After

four weeks, someone in a vegetative state is described as being in a continuing vegetative state, and after six or 12 months, depending on the cause of the brain injury, in a persistent vegetative state. Causes of traumatic brain injury include strokes and accidents which deprive the brain of oxygen. The chance of recovery is much better in younger than older patients.

Xiang said that while a very few PVS patients might regain awareness following surgery or other treatment, most will remain minimally conscious and will require constant professional medical care.

When he started out, Xiang thought he would get many patient referrals from his large network of medical professionals built up over a long career. Yet in the following one and a half years, only one doctor among his friends referred a patient to him. Many others said that if they referred someone who dies at the nursery home, it could bring them trouble.

Site selection was troublesome. Xiang wanted his nursing home to be in the downtown area so it was convenient for transportation, but he quickly gave up on the idea after a landlord refused to rent her property to him, worrying that PVS patients would bring her bad luck. Xiang eventually had to locate the nursing home in a mountainous area near Miyun Reservoir.

In the first two years, Yansheng only admitted two patients, but by the third year, the wards were full, and he decided to move to a village in the same district. In a yard where security guards used to train, he renovated a one-storey property into a three-ward nursing home with 10 beds each. Each bed has a camera so relatives can see the patient at all times.

Now, Xiang gets frequent calls asking if there is any vacancy. He told *ChinaReport* that he will not admit a patient until the family visits the nursing home and understands and consents to Xiang's guiding principles that the nursing home is for fundamental care only and people in persistent vegetative state will die naturally.

Media reported that one family had booked an ambulance to drive



Doctor Xiang Jiuda

28 hours to take a patient to Xiang's nursing home and another bought seven plane tickets to transport a patient by air.

Sun Ying's family told *ChinaReport* that compared to a hospital, Yansheng's wards are cleaner and their nurses respond quickly. More importantly, Yansheng charges 7,500 yuan (US\$1,055) a month, which is around the same as a hospital ICU charges per day.

Yansheng has 20 nurses taking care of 30 patients, working two

shifts a day. They feed them through a tube five times a day, turn them to prevent pressure sores and check if any patient needs oxygen uptake or to be aspirated. They change dressings and tubes and monitor the patients for irregularities.

According to He Jianghong, chief neurosurgeon at the No.7 Medical Centre under the Chinese People's Liberation Army General Hospital who has studied PVS for 25 years, a person in that condition may only survive three to four months at home, but could live one to two years if the patient receives professional medical care at a nursing home.

"How long a PVS patient can live depends on how well they are attended to," he said.

Struggle to Survive

Helping more people in a vegetative state live longer is Xiang's objective, just as the name of his nursing home "Yansheng" (prolong life) suggests, but few people, including the authorities, support him.

Xiang applied for a licence to operate a nursing home in 2014, hoping he would get financial support for construction and utilities. But two months later, his application was stuck in limbo. Officials told him that PVS patients were not included in the defined range for elder care facilities and that his nursing home did not meet the government's threshold for an elder care nursing home, which should include a garden, a gym, a reading room, a standard dining room, accessible facilities and high-level fire-control facilities.

Xiang then applied for a licence for a medical care home, but the healthcare commission told him that assistance and sponsorship were not in their remit. Due to the special needs of PVS patients, they suggested Xiang ask the local social insurance bureau whether the patients would be eligible for health insurance coverage. But the bureau also refused Xiang's application. Even the local federation for disabled people gave Xiang the cold shoulder, saying that PVS patients did not fall under the definition of disabled people.

In the end, Xiang used a policy that encouraged the establishment of nursing and support homes for disabled people to register his nursing home as a non-profit medical organisation.

But even now, the nursing home has not found a department to be attached to – according to Chinese regulations, an NGO should be

under the auspices of a government department.

Nor did Xiang make a cent in the first three years. The 2017 move and rebuilding cost him 2 million yuan (US\$280,446). He pays 500,000 yuan (US\$70,111) in rent, 90,000 yuan (US\$12,620) in salaries, and around 30,000 yuan (US\$4,207) for electricity each year.

To date, Xiang has input over 5 million yuan (US\$701,115) of his own money, from a combination of loans and selling his flat. He approached big charity foundations for help, but rarely got a reply.

“My nursing home did not make ends meet until this spring,” Xiang told *ChinaReport*, adding that because of lack of money, he had to abandon his plan to extend the facility.

Calls for More Care

He Jianghong said that PVS patients receive scant attention from the Chinese healthcare system as the study and care of PVS patients is undervalued. “Few doctors are willing to engage in this area, since treating a PVS patient is very hard and the doctors don’t get positive feedback that drives them to continue,” he told *ChinaReport*.

He said that for the patients in a minimally conscious state, there is only a 40 percent chance of them regaining awareness, and for those in a persistent vegetative state, the possibility is near zero. Furthermore, even if a PVS patient regains awareness, they would still be severely disabled and need continuing professional care.

According to He’s statistics, treating a PVS patient in hospital would cost from 500,000-1 million yuan (US\$70,111-\$140,223) in the first year and the follow-up treatment would cost around 100,000-200,000 yuan (US\$14,022-\$28,045) each year.

This is why some people regard treating PVS patients as a waste of time and money. Due to the high cost and difficulty of treating them, many doctors, according to He, persuade families to take the patients home, even if they have not been in a state of minimal consciousness for very long, where He believes there is a chance the patient could regain some level of awareness.

Few nurses are willing to work at a nursing home for PVS patients. “The most competitive and popular sector is clinical departments followed by therapeutical departments. Many think that working in nursing homes and hospices isn’t skilled professional work,” Xiang said. His nursing home had employed seven young nurses who all



Every bed at Yansheng nursing home has a surveillance camera so families can check in with their loved one at any time

graduated nursing school in the first year, but none are still with him.

Both Xiang and He strongly oppose using euthanasia on PVS patients, supposing it was legal in China. “PVS patients are people who also enjoy the right to life and they should live on with respect,” He said in an interview with the *People’s Daily*. “Euthanasia would kill the hope that a PVS patient could live,” he said.

Xiang agreed, emphasising that PVS patients who can breathe and digest food by themselves are different from those who have been diagnosed as brain dead and that their survival is a big consolation to their families.

While some countries allow PVS patients to have life-sustaining treatment withdrawn if doctors and the family consider there is no hope of them ever recovering, it usually requires a court case, which often proves contentious.

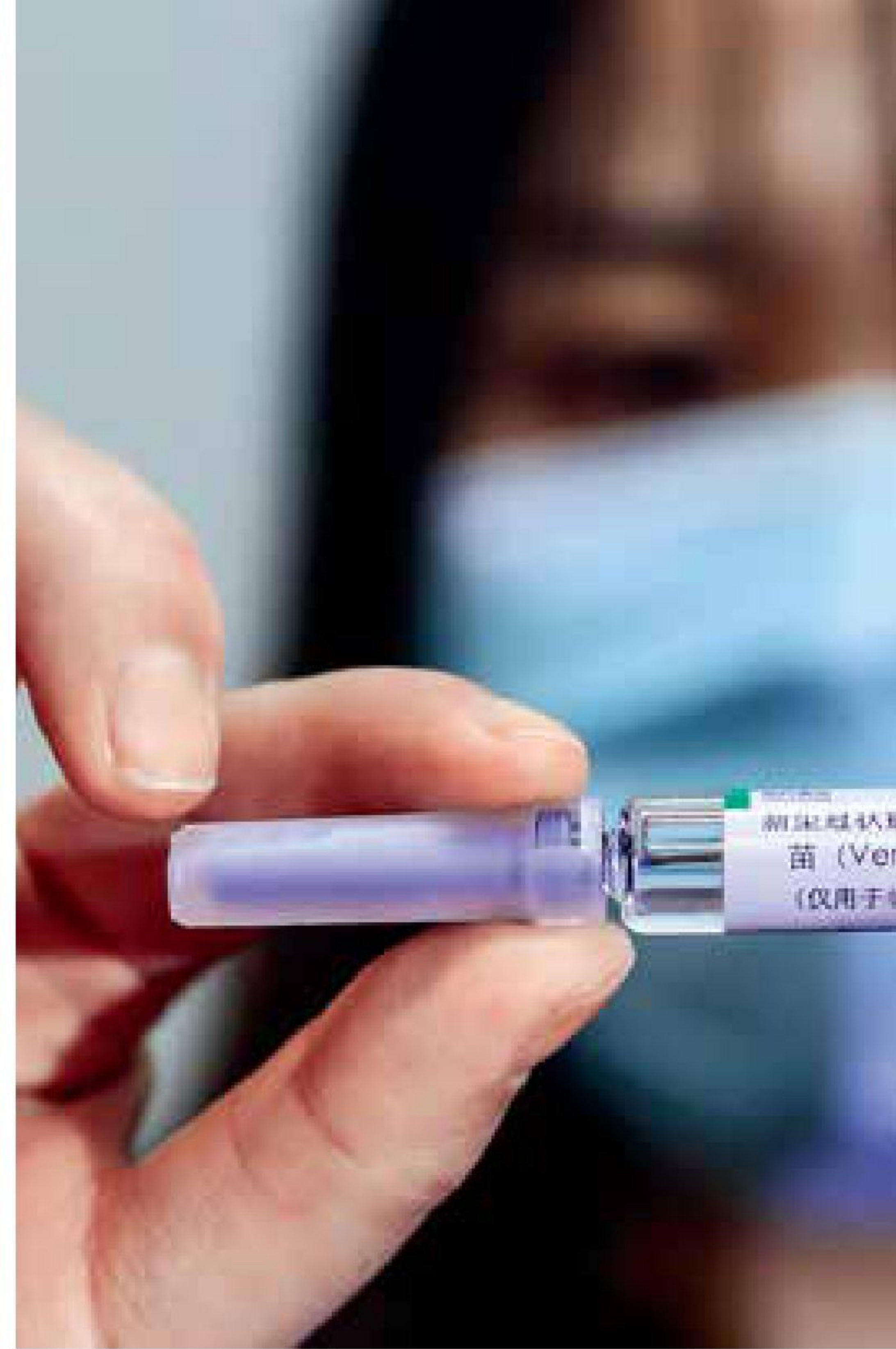
In a positive move, Beijing Municipal Civil Affairs Bureau issued a guidance document on physical health for senior citizens in February, defining those in a vegetative state or suffering from severe chronic diseases such as late-stage cancer as “having a severe disability.” It means that senior citizens in a PVS are eligible for financial support each month. This is the government’s biggest financial assistance to senior citizens with a severe disability, although it does not cover other age groups in a PVS.

“I’m looking forward to more support from authorities,” Xiang said. ★



Researchers at the University of Pittsburgh work on a Covid-19 vaccine, March 23, 2020

PHOTO BY UNIVERSITY OF PITTSBURGH MEDICAL CENTRE



Covid-19 Vaccine

SHOTS OF HOPE

The worldwide race for a Covid-19 vaccine has yielded initial results, yet the effectiveness of these vaccines is still unknown

By Peng Danni and Huo Siyi

The hunt for a vaccine for Covid-19, the disease caused by the novel coronavirus SARS-CoV-2, is one of the most pressing global tasks right now. According to the World Health Organisation (WHO), as of May 22, more than 120 vaccine candidates have been proposed worldwide, 114 of which are in the pre-clinical evaluation stage, with 10 already having entered clinical trials. Among the 10 strongest candidates, five are from China, with the others developed by American and British scientists. Some have entered phase two clinical trials, but there is still much uncertainty over which is the most promising. Data from

animal or human trials on levels of immune response published by several teams have shown different initial results.

On May 22, findings were published in medical journal *The Lancet* addressing the “safety, tolerability, and immunogenicity (the ability to produce an immune response) of a recombinant adenovirus type-5 vectored Covid-19 vaccine” developed by a research team led by Chen Wei, an academician with the Chinese Academy of Engineering and a researcher at the Institute of Military Medicine under the Academy of Military Sciences. The first-phase clinical trial was completed at the end of March, and the second phase was

launched on April 12, making it the first Covid-19 vaccine in the world to have gone into second-phase clinical trials.

A researcher with Chen Wei’s team who spoke on condition of anonymity told *ChinaReport* that human clinical trials of the vaccine are divided into three phases. The first is to understand the initial safety of the vaccine, phase 2 examines the safety of the vaccine in a larger sample and determines the optimal immune dose, and phase 3 applies the dose to large sample populations to assess its effectiveness.

The phase 1 clinical trial was rolled out between March 16 and March 27 in Wuhan,



PHOTO BY XINHUA

An employee at Sinopharm holds a sample of an inactivated Covid-19 vaccine, April 10, 2020

where the coronavirus outbreak started. The trial recruited 108 healthy adult participants aged between 18 and 60 years who were given either a low, medium or high dose of the vaccine. No serious adverse events were noted within 28 days post-vaccination. Neutralising antibodies increased significantly at day 14 and peaked 28 days post-vaccination. Specific T-cell responses peaked at day 14 post-vaccination. T-cells are lymphocytes which participate in the immune response.

Xu Jianqing is the director of the Institute of New and Recurring Infectious Diseases of Shanghai Public Health Clinical Centre and team leader for research and development of the institute's Covid-19 vaccine. Xu said that the higher the neutralising antibody titers are after the vaccination, the more effective the vaccine would be. A titer test measures the amount of antibodies present in the person or animal against the disease being vaccinated. A positive antibody response is defined as being at least a four-fold increase in post-vaccination titer from baseline.

On the 28th day, when the number of neutralising antibodies peaked in the three dose groups of the Wuhan trial, only half of the subjects in the low and medium dose groups were able to achieve a four-fold increase in neutralising antibodies, compared

with 75 percent in the high dose group.

"The results of the vaccine trial aren't very satisfactory," said Tao Lina, a former immunologist at Shanghai's Centre for Disease Control and Prevention. "By the 28th day, we really need to see a 90 percent four-fold increase in neutralising antibodies," Tao said.

Despite some uncertainties, Chen's team started phase 2 human trials in Wuhan on April 12. The second phase removed the age ceiling to enrol volunteers over 60, with the oldest being 84. It has expanded to involve 500 volunteers and introduced a placebo control group to further evaluate the immunogenicity and safety of the vaccine.

According to a source close to Chen's team, preliminary results of the second phase trial were presented to the State Food and Drug Administration for review on May 16, and the results are expected to be published in June.

In the study, between 44 and 56 percent of volunteers had an immune response to adenoviruses – a group of viruses which cause many common infections – all of whom previously had high levels of antibodies when titer tested for adenoviruses. The numbers increased significantly after vaccination.

Zhu Fengcai, co-author of the paper published by Chen Wei's team from the Centre for Disease Control and Prevention of Jiangsu Province, told the reporter that the high level of adenovirus type-5 may have a negative impact on the persistence of vaccine-induced immune responses.

The root cause of the problem is related to the technical route of the vaccine: it was constructed using genetic engineering and carried by replicating defective human adenovirus type-5 as a vector, so as to express the Covid-19 S antigen. According to Xu, theoretically, about 80 percent of Chinese people are positive for type 5 adenoviruses, which means that when adenoviruses re-enter the body, adenoviruses attack the vector rather than the S protein it expresses, making the vaccine ineffective. This is often referred to

as the carrier-blocking effect or a pre-existing immunity. This is why many of the vaccines using this technology have failed. One solution to the weakened immune response from adenoviruses is to adopt an immune-enhancing strategy, or strengthen the immune response in humans by injecting different types of vaccines. The first helps establish primary immunity and the second vaccine is used to re-energise the immune system. According to Chen's team, previous studies have shown that this strategy can induce stronger and more enduring immune responses in populations with high pre-existing immunity. The Ebola vaccine is based on this method.

International Candidates

Among the top candidates in the global vaccine race, another adenovirus vaccine is the Oxford University/AstraZeneca Covid-19 vaccine ChAdOx1 nCoV-19. So far it has finished phase 1 trials and the project has begun phase 2 and 3 human trials. It aims to enrol up to 10,260 adults and children by the end of June.

Internationally, in addition to Moderna Therapeutics' mRNA vaccine in the US, there is the DNA vaccine INO-4800 from Inovio Pharmaceuticals in the US, which is also in the second phase of clinical trials. On April 23, an mRNA vaccine developed by the German company BioNTech and US pharmaceutical company Pfizer also started clinical trials. US biotech firm Novavax US started human clinical trials of a Covid-19 vaccine candidate called NVX-CoV2373 using the company's nanoparticle technology in May, although the US government has not listed it as among the five most promising vaccine candidates, media reported.

The five internationally recognised designations for a Covid-19 vaccine are a nucleic acid vaccine (including mRNA vaccine, DNA vaccine), a recombinant genetic engineering (protein recombination) vaccine, an inactivated vaccine, an attenuated influenza virus vector vaccine and an adenovirus vec-

tor vaccine. Nucleic acid vaccines, especially the mRNA vaccine technology, are most favoured by researchers and investors. Three of the five vaccines in clinical trials abroad are mRNA vaccines, but none of the mRNA domestic vaccine candidates have entered this stage.

Multiple Options

The Oxford University vaccine and Chen Wei's vaccine from China are the two leading vaccines that use adenovirus vector technology.

There are four other vaccines in China that have been through clinical trials, all inactivated vaccines developed by four different institutions or companies including the Wuhan Institute of Biological Products under the China National Pharmaceutical Group (Sinopharm) and Sinovac Research and Development Co. Ltd, a company based in Beijing and the Chinese Academy of Medical Sciences. The five vaccines are expected to complete their phase 2 clinical trials in July. Inactivated vaccines use particles of a virus or bacteria grown in a culture not able to produce disease, but the immune response produced is not as strong as a live vaccine.

Unlike foreign vaccine developers, which tend to adopt new vaccine technologies, the rest of the domestic vaccines which are in clinical trials are based on traditional inactivated vaccine technologies. According to the results of Sinovac's vaccine in animal trials, Xu Jianqing said the results of the activated antibody data in primates were good, but the vaccine used the entire inactivated Covid-19 virus to stimulate the human immune system. This makes the activated antibody type very broad, including a large number of non-neutralising antibodies which would not act against disease. The subsequent safety of the vaccine needs to be tested in clinical trials.

Addressing the varied effects of different types of vaccines, Professor of Pathology and Laboratory Medicine David O'Connor of the University of Wisconsin-Madison told



PHOTO BY CNS

A lab technician injects a volunteer during phase 2 clinical trials for a Covid-19 vaccine in Wuhan, April 15, 2020. More than 200 people volunteered in the trial

ChinaReport that “Both new and conventional approaches can and should be tested at the same time – there is no need to pick one over the other.”

The titer level of neutralising antibodies required for protection against Covid-19 is not known. If two vaccines exceed this threshold by a large margin, it does not necessarily matter which one has the greatest titer, O'Connor said. Other considerations such as ease of production, cost, lack of side effects and frequency of delivery might be more important if two vaccines are equally effective. This is why multiple candidates are moving forward simultaneously. “The best-case scenario would be many vaccines that are protective, with the option to choose the one that will most easily scale to millions or billions of doses. If multiple vaccine approaches work, they might also be used in conjunction to get more people vaccinated quicker, since no vaccine will be produced at the scale necessary to protect everyone globally immediately.”

Although no vaccine in this global race has yet to go through phase 3 trials, domestically, the Covid-19 pandemic has been contained. This is now posing a difficulty in domestic vaccine development. One option is virus challenge testing, which means the use of viruses to attack vaccinated subjects to understand how the vaccine can produce an immune response protection.

Xu said that the US and Europe allow virus challenge testing in vaccine trials, while China does not. After the outbreak of Covid-19, Europe and the US have discussed whether to allow human virus challenge tests. It is believed that if the vaccine is administered to young adults, if it fails to protect against the coronavirus, its pathogenicity, or ability to produce disease, is controllable.

“We should consider allowing such challenge tests in a specific population so as to really accelerate the speed of the vaccine research process and better judge the effectiveness of the vaccine in the near future,” Xu said. ★

Testing the Masses

Wuhan decided to test all 11 million of its residents for the coronavirus, at great expense. Experts advise that precise testing and a long-term epidemic prevention system could be more effective

By Du Wei and Li Mingzi

On the afternoon of May 16, 2020, Li Hang (pseudonym), a doctor at a hospital in Jiang'an District in Wuhan, Hubei Province and his colleague went to a community medical service centre to help conduct coronavirus testing of 400 residents.

Since May 14, Wuhan, centre of the first mass outbreak of Covid-19, which has a population of 11 million, launched citywide mass testing to identify asymptomatic patients of coronavirus – those carrying the virus but who show no obvious symptoms. It was an action authorities referred to as the “10-day battle” to prevent a second wave of infections. According to local newspaper the *Changjiang Daily*, more than nine million people had been tested as of May 24 and 227 asymptomatic patients were found.

Jiang Qingwu, former head of Fudan University's School of Public Health in Shanghai, told *ChinaReport* that even though only a few asymptomatic patients were identified, there are still contagious virus carriers and it was not time to relax the nation's vigilance.

Huge Endeavour

Wuhan health authorities organised staggered times for testing across residential communities to prevent cross infection. Both permanent and temporary residents who had not tested positive for Covid-19 could be tested, with priority given to residents in communities where confirmed cases were reported, as well as those living in older and densely-populated residential buildings. Children under six were not encouraged to be tested. In addition, all tests were conducted in designated outdoor public spaces. Health workers also paid door-to-door visits to some elderly and disabled residents.

Li Hang told our reporter that in a few residential communities, some people were reluctant to be tested for fear of cross-infection.

Many medical personnel in the city were involved in the endeavour. According to a doctor at Wuhan Red Cross Hospital who spoke

on condition of anonymity, his hospital sent 20 medical teams each with more than 100 staff to many residential communities in Jianghan District and more than 10,000 swab test samples were conducted a day. A doctor from Zhongnan Hospital of Wuhan University told our reporter that his hospital also sent more than 200 nurses to nearby communities to collect more than 10,000 samples each day.

In Qiaokou District's Liujiao residential community, around 1,000 people were tested on May 13. “Residents in our community were very supportive. Our aim was to leave no one untested,” Wang Kaiqi, the community's Party chief, told Hubei Television.

After the samples are collected, they are sent to medical institutions and third-party organisations for testing. According to a report by *Health News*, Wuhan's nucleic acid testing capacity is 100,000 samples per day. To accelerate mass testing, Wuhan Health Commission designed a new testing method to combine five to 10 individual samples together to test at one time, a method known as pool testing. If a mixture of samples is positive, further tests are conducted for each person in the group.

Jiang Qingwu said that pool testing has been used for a long time and theoretically, the method will not affect the sensitivity and accuracy of the results, but this depends on the number of individual samples before they are mixed. It is not a foolproof way to identify asymptomatic spreaders.

“If the result of the combined test is positive, it is possible that no individual positive sample is found after extra testing because of the detection reagents and operation methods,” he said. “It could mean they have to start all over again.”

Lan Ke, director of the State Key Laboratory of Virology, Wuhan University, told *ChinaReport* that because of the sensitivity of testing methods and the specificity of samples, as well as the latent period of the virus, nucleic acid testing is able to detect many asymptomatic

patients, but it is not always reliable.

According to statistics from Wuhan Health Commission, from May 14 to 18, 1.2 million tests were conducted and 58 asymptomatic patients were found. From May 19 to 23, 5.36 million tests were conducted and 131 asymptomatic patients were found. Lan argued that alongside the increasingly wider scope of detection, the positive rate of testing dropped from 0.47/10,000 to 0.24/10,000. “It showed that the virus transmissibility has gone down,” he said. “The virulence may have weakened as well.”

Antibody Tests

Prior to the city-wide testing programmes, Wuhan launched an epidemiological investigation into where people had developed antibodies for the coronavirus, known officially as SARS-CoV-2, in order to screen for asymptomatic patients. Starting from April 14, 2020, Wuhan conducted 11,000 random serum antibody tests on people who were never diagnosed with Covid-19 in 100 residential communities in 13 administrative districts across the city.

On April 20, Ding Gangqiang, head of the epidemiological survey team dispatched to Wuhan by the Chinese Centre for Disease Control and Prevention (China CDC), told *ChinaReport* that the antibody sample collections had been completed, and they would be analysed and released by Wuhan CDC officials. To date, however, the final report is yet to be released.

On May 19, 2020, Feng Zijian, a deputy director of the China CDC, told our reporter that “I am unable to publicise the data now because it is not the appropriate time.” According to a report by financial magazine *Caixin*, 5 to 6 percent of samples had antibodies against Covid-19.

Jiang Qingwu said that as Wuhan is home to 11 million people, if 5 to 6 percent of samples were antibody positive, roughly half a million in the city were infected by Covid-19. It means that besides the 50,000 confirmed cases in Wuhan, 90 percent of virus carriers were not discovered.

“These confirmed cases are highly likely to be asymptomatic patients who have already recovered after their immune system defeated the virus,” he said, adding that the 5 to 6 percent positive rate is much



Medical workers conduct nucleic acid testing for staff at a factory in Caidian Economic Development Zone in Wuhan, Hubei Province, May 15, 2020

lower than the 20 percent rate in Western countries. In other words, he said, Wuhan has not achieved herd immunity since the outbreak.

“If there’s a second wave of the coronavirus, Wuhan is as susceptible to the disease as other cities in the country,” he said.

Prevention

A nucleic acid test costs around 180 yuan (US\$25) in Wuhan and the citywide testing cost over 1 billion yuan (US\$141m). According to the Wuhan Health Commission, the cost was absorbed by the city and district financial budgets.

Feng Zijian told our reporter that Wuhan launched the mass nucleic acid testing in May because the city had the capability. Before the strictest lockdown measures were lifted on April 4, the coronavirus spread had largely been stopped. The city was under siege for almost three months to contain the spread of the disease. To date, Wuhan



PHOTO BY CHEN XUEZI

has over 50,000 confirmed cases, accounting for more than half of the total number in China. Among the 4,640 reported Covid-19 deaths in the country, about 80 percent were in Wuhan.

Alongside the discovery of positive carriers, particularly asymptomatic ones, mass testing was put on the agenda. “There are different tasks and concerns according to how the situation changes,” he said.

Jiang Qingwu told our reporter that if mass testing is necessary, it would have been better to do it before the lockdown was lifted because it would have allowed for work to resume. He argued that nucleic acid testing and epidemic prevention should be conducted more scientifically. “In comparison with mass testing, it is more effective to focus on vulnerable groups and residential communities that are more susceptible to the virus,” he said.

Vulnerable groups include medical workers, people in close contact with confirmed cases, and people who live in communities where

confirmed cases were reported, he said.

In early May, imported cases from Wuhan were found in eastern China’s Jinhua, Zhejiang Province and Xiamen in Fujian Province. In the opinion of Jiang Qingwu, there is plenty of room for Wuhan to improve its inspection of vulnerable groups and communities susceptible to the virus.

Lan Ke said that the mass testing is significant in boosting the confidence of local residents, but in the long run, there should be more precise anti-epidemic and prevention measures. It will be a tremendous financial burden to conduct a second round of mass testing if there is a resurgence of cases in Wuhan.

“The coronavirus isn’t likely to just disappear like SARS. It’s possible the virus will stay with human beings for a long time,” he said. “As a result, a long-term plan alongside a precise and normalised epidemic prevention system is necessary.” ★

WHAT IS AVAXHOME?

AVAXHOME-

the biggest Internet portal,
providing you various content:
brand new books, trending movies,
fresh magazines, hot games,
recent software, latest music releases.

Unlimited satisfaction one low price

Cheap constant access to piping hot media

Protect your downloadings from Big brother

Safer, than torrent-trackers

18 years of seamless operation and our users' satisfaction

All languages

Brand new content

One site



AVXLIVE ICU

AvaxHome - Your End Place

We have everything for all of your needs. Just open <https://avxlive.icu>



Education

Degree of Uncertainty

As the Covid-19 pandemic continues and anti-globalisation sentiments increase worldwide, many Chinese students are reconsidering their plans to study abroad. But will this shift lead to a long-lasting decline in overseas enrollment?

By Peng Danni and Xie Ying



PHOTO BY AFP

Students walk across Georgetown University campus in Washington DC, US, May 7

Discussions were sparked online during this year's two sessions, a key event in the country's political calendar, after Chinese People's Political Consultative Conference (CPPCC) member Ni Minjing proposed that Chinese students seeking to return from studying at overseas universities enrol in vocational schools.

Critics on social media said Ni's statement was degrading and meant to lower the status of overseas students.

In a recent interview with the *People's Daily*,

Ni responded that his proposal was intended for Chinese students encountering difficulties in continuing their studies abroad, for which he offered two solutions: enrol in vocational schools without having to take an entrance exam or test to enter a Chinese university or college. He also suggested that Chinese schools establish a system to transfer academic credits earned abroad.

"It's a very realistic problem for students having difficulties and I had no intention of looking down on any overseas students," he

told the Party paper.

Ni won over some naysayers, who said his proposal was timely as schools worldwide are still reeling from the coronavirus that has so far infected more than eight million people globally as of June 16.

"Most students seeking to study abroad should have been preparing for language exams or other pre-enrollment work, but the pandemic has forced many schools to cancel exams and postpone reopening. It has added many uncertainties to overseas study," Ma

Xing, director of study abroad in Britain at the New Oriental Education and Technology Group, China's largest language training centre, told *ChinaReport*.

These sentiments increased as some countries, especially the US, grew hostile towards China during the pandemic. The US, for example, announced on May 29 that they would ban Chinese people holding J or F student visas from entering the US over fears they would steal sensitive technology and intellectual property. Two days prior, US Senator Tom Cotton proposed banning Chinese students from obtaining master's degrees in STEM (science, technology, engineering and maths) fields.

These factors have made some Chinese students and their parents rethink studying abroad, or give up on it altogether.

Pandemic Impact

Among them was Liu Ya, a graduate from a university in Beijing. He was accepted to the Georgia Institute of Technology in Atlanta earlier this year, but the school cannot start in August as scheduled. The school provided two alternatives for students: start their courses online or apply to admissions for an extension.

Liu likes neither option. The first, he said, would mean shortening his stay in the US, which hinders his plans to work abroad following graduation. The second is risky, because it means being thrown back into the pool of applicants for the next school year.

Wang Qian faces the same conundrum. She told *ChinaReport* that she was accepted to a doctoral programme at a British university, but her family was reluctant to let her go while the pandemic is not contained. But Wang worries that asking for an extension would mean giving up her spot.

"My worst-case scenario would be to shift to Hong Kong [to study], if the pandemic keeps coming back," she said.

Zhang Xinyue, the mother of a high schooler applying to study in the US next year, was not so anxious. She told *ChinaReport* that the next SAT (Scholastic Assessment Test) was postponed because of the pandemic, but she believes that US schools would take measures such as cancelling some exams or moving them online.

"I didn't think too much about whether the pandemic would last two years like some experts say... I believe the pandemic will be under control by next autumn when it's time for my son to go," she said.

"As far as I know, few students have changed their plans to study abroad over the pandemic, since they've been preparing since middle school or even earlier, and it's not easy for them to now have to start preparing for the *gaokao* (China's college entrance exam)," Ran Wei, expert in overseas study at New Channel, an English-language training centre for studying abroad, told *ChinaReport*.

Domestic Advantages

Some parents, especially those of younger students, still have concerns about their children's safety. Ye Xuan, a customs agent in Xiamen, Fujian Province, told *ChinaReport* that she has contacted a local school about enrolling her son who was returning from a public middle school in Toronto, Canada after it suspended classes in April.

Having worked on the pandemic's frontlines, Ye saw first-hand how young students were forced to wear protective gear and travel for days through multiple cities to return home. Ye felt studying in China appeared to be the better option. "China is not bad and many of my friends doing business abroad are also more and more confident in our country," she said.

Wu Tainan, a businessman in Beijing, has mixed feelings.

"If it wasn't for the pandemic, my wife and I wouldn't have been so quick

to bring our children home," he told *ChinaReport*.

Wu had two sons enrolled in public schools in Austria. Because he worked in Beijing while his wife and children lived in Austria, the family had been considering returning to China before the pandemic. However, they remained reluctant, especially since Wu's oldest son was not willing to start over in a new school. In April, as Covid-19 swept through Europe, the family finally returned.

To help his elder son adjust to the Chinese curriculum, Wu sent him to a private school in Beijing. 51shangsili, a study abroad consultancy, wrote on its official Sohu blog that there are at least four private schools in Beijing taking returned overseas students like Wu and Ye's children.

Since Zhang Xinyue has a US green card, she had planned to send her three children to the US to study. While the pandemic has not deterred her, she said a few other families she knows are now considering domestic or East Asian schools.

One mother among her friends, for example, had struggled to find someone to help look after her child studying in the UK after schools were closed there. She told Zhang it was then she realised there are uncertainties about overseas study.

"I hope that my son could at least be educated locally during middle school... and I will not make any plans for his studies [abroad] after that... I'd prefer if he stayed in China, as there is a lot of room and opportunities for development here," she told *ChinaReport*.

Other Concerns

Cheng Xu, a junior at Beijing University of Technology, was looking to pursue a master's degree in Britain. She told *ChinaReport* that getting admitted to a British university is much easier than dealing with the "dog-eat-dog" competition of master's degree

programmes in China. Also, many British schools have one-year master's courses, two years less than at most Chinese universities.

But she wavered after her family and teachers told her it is very difficult for a foreign student to stay and work abroad after graduation, while studying at home will enable her to better network for her career.

The pandemic pushed Cheng to change her mind, along with other concerns such as personal safety and discrimination.

Impacted by the trade war and the pandemic, Sino-US relations are at a low point. An April 6 report by the *New York Post* said that a 39-year-old Chinese American woman in New York was injured after a man poured sulphuric acid on her. Police said the suspect had been skulking in the woman's neighbourhood, which is predominately Chinese, before the attack.

In the UK, on March 19, four Chinese students were reportedly attacked by five teenagers and children near dormitories at the University of Southampton while shouting "Chinese virus" and "Go back to China."

"In terms of quality of education, the US is the best choice for studying abroad, as it has the world's highest number of top-rated universities, but I have crossed the US off my list. My daughter is my family's only child and I have to make safety a top priority," Wang Wan, a mother of a high school sophomore in Beijing, told *ChinaReport*.

According to Mary Ji, a language teacher in Hefei, Anhui Province, few of her students considering studying abroad have changed their plans but some are taking the changing political climate into consideration.

"One of my students who is studying for a master's in the US is switching to the UK for a doctorate," said Ji. "Another is considering an offer from a leading Australian university, instead of applying to his favourite school in the US," she said.

"The pandemic and politics will not stop

Chinese students from going abroad, but many are now adding other countries to their lists and making backup plans for their overseas studies," she added.

"The golden age of globalisation is gone," He Fan, a professor at Antai College of Economics and Management, Shanghai Jiao Tong University, told babazhenbang, a social media account focused on international education. He warned that Chinese students overseas might face more risks, including xenophobia and racial discrimination.

Stay or Go?

Ma Xing, however, thinks the situation could also work out for students. He told *ChinaReport* that the pandemic has made schools more eager to enrol international students to offset the economic slowdown. For example, the 120,000 Chinese students in the UK are a major source of income for many British schools. According to Ma, British schools are offering preferential policies to overseas students, such as recognising other countries' language proficiency exams, including the TOEFL, PTE, Duolingo and China's CET (College English Test).

"Compared to previous years, there have been fewer people coming for consultations and students planning to study abroad have spent more time thinking over their plans," Ma said. "But this will not last long and I believe the number of applicants to study in Britain will bounce back after the pandemic is under control."

Qiu Yourong, who works for a company that preps Chinese applicants to US universities, said that despite China-US tensions they have not seen a drop in applicants. "The students and their parents still believe that the leading universities in the US provide the world's best education," she told *ChinaReport*.

Ye Xuan said if her son is not accepted to a top high school in China, she would reconsider sending him abroad.

"Actually, I don't totally prefer Canada's education system. It's practical, but I find it too loose and not good for students with poor self-discipline. Besides, I also worry about my son's native language level if he studies abroad when he's young," she said.

Wu Tainan agrees. "Domestic and foreign education both have advantages and disadvantages, and as parents we should find the one most suited for our children," he said.

"Chinese people used to think that domestic education was completely inferior to Western education, but now they realise that Chinese education has its advantages and disadvantages, as does Western education," He Fan said.

This attitude shift is also reflected in the job market. Many companies no longer favour applicants with overseas education backgrounds.

"More and more factors are entering family discussions on whether to study abroad, including career prospects, political and cultural differences, and the value of the diploma the target school provides. Ten years ago, most Chinese people's motivation for studying abroad was very simple: go to the US and find a better job back home. But in recent years, people will weigh the differences in the environment, opportunity and social networks," Qiu said.

A day before our interview, Cheng Xu said she received a call from an overseas study consultancy. The agent told her that now is the time to apply given the decreased number of competitors.

"If I had a good chance, I would not necessarily give up, but I won't consider Britain and the US any longer... Maybe Singapore, which is culturally similar to China, is a good choice," Cheng said. ★

(Ye Xuan, Wang Qian, Wu Tainan, Zhang Xinyue, Liu Ya, Cheng Xu and Wang Wan are pseudonyms)

Conservation

FIGHT AND FLIGHT

Dedicated volunteers are struggling to protect the white crane, a critically endangered species that despite government protection faces survival stresses from illegal poaching, habitat destruction and human intervention along their migration routes

By Huang Xiaoguang

On the morning of May 11, Zhou Haixiang updated his WeChat Moments: “Crane No. 419 has been missing for 13 hours.”

As an ornithologist and head of the Ecological Environment Research Institute at Shenyang Ligong University, Northeast China’s Liaoning Province, Zhou had spent sleepless nights in search of the disabled crane, which was abandoned by its construction – the name for a group of cranes – after it left Poyang Lake in East China’s Jiangxi Province. Since early April, the female crane had been making the annual spring migration to Siberia – a journey of 5,000 kilometres – all alone.

Zhou and other volunteers often wade through wetlands and wilderness to monitor the health of white cranes, also known as Siberian cranes, and their migration routes using tracking devices in the hopes of protecting the endangered species from dangers such as poachers, pollution, food shortages and shrinking habitats.

There are about 4,000 white cranes worldwide, which are listed as “critically endangered” by the International Union for Conservation of Nature (IUCN).

Bird Followers

In the spring of 2018, Zhou saw No. 419 for the first time as he struggled to stand up on the bank of Liaohe River in Shenyang, Liaoning Province. When Zhou approached, he found another adult crane and chick dead nearby. No. 419 was foaming at the mouth – a symptom of poisoning. Zhou also noticed a crane injured by shotgun blast. It had broken feet and a bleeding right wing. Volunteers nicknamed it “Gun Survivor.”

It had been a tough year for white cranes. Climate change was warming their breeding grounds in the Arctic, resulting in a higher mortality rate of chicks. Zhou observed that among the 1,800 white



Zhou Haixiang and other volunteers work to rescue an injured crane they named “Gun Survivor” after it was shot by a poacher in the spring of 2018, Liaohe River, Shenyang, Liaoning Province

cranes that stopped to rest at the Liaohe River, 2 percent were chicks, fewer than the normal 8 percent.

Each year, white cranes fly to Poyang Lake, China’s largest freshwater lake, in autumn and back to Siberia in spring. Along the way, they stop in the wetlands of northeastern China. In 2005, Zhou discovered that white cranes stop at the Huanzidong Wetlands, a fact he said many locals were unaware of.

“People would come to the wetlands to poison wild geese but white cranes were often poisoned as well,” Zhou told our reporter. “Poachers would take away these big birds and sell them at the market. Local villagers also took the dead cranes sometimes.”

Zhou started a white crane protection campaign at the Huanzidong Wetlands. He printed his phone number on calendars and leaflets and gave them to local residents. His efforts paid off as more locals brought injured cranes to the Shenyang Wildlife Rescue Centre.

“Poaching has decreased at the Huanzidong Wetlands with only sporadic cases,” he said. When he first spotted No. 419, Zhou said he found corn kernels soaked in poison nearby. Zhou blindfolded the two injured cranes, injected an antidote and bandaged them to stop the bleeding. After days of treatment at the rescue centre, the two cranes were set free with satellite trackers on their feet.

“The trackers update their positions, body temperatures and activities each hour to help us learn more about their migratory patterns and how to intervene when danger arises,” said Zhou Minghui, head of the Hunan Global Messenger Technology Company, the manufacturer of the trackers.

On the Fly

On April 8, 2020, No. 419 began her migration north from Poyang Lake. Tracking data showed she was covering shorter distances by the day, going from 100 to several kilometres. On May 1, wildlife protection volunteer Liu Li found her at a small lake in the city of Tongliao, Inner Mongolia Autonomous Region. “She was in a bad state and very dirty,” Liu said.

The next day, Zhou Haixiang headed to Tongliao. He observed the crane’s sleeping and eating habits and interaction with other animals. On her way to search for food, the crane fell to the ground several times from fatigue. Zhou told our reporter that the crane took two weeks to arrive in Tongliao, a trip that normally takes three days.

Zhou explained that their migration path is dangerous, especially in the densely populated areas of Southern China. Once alone or injured, cranes face life-or-death situations. Zhou started a chat group on WeChat where dozens of volunteers nationwide exchange the latest updates about crane migrations.

On November 29, 2018, “Gun Survivor” deviated from its migration route and stopped at a pond between Henan and Anhui provinces. Before landing, the crane circled at an altitude of 50 metres as it searched for a place to land.

“The area is full of farms and people. It would be a last choice for the crane to land,” Zhou said. After pinpointing its location, Zhou called local police for help. The police found that “Gun Survivor” was travelling with six companions.

With 100 kilometres left before their destination, Poyang Lake, the group deviated off its course again. On December 5, it arrived at a small reservoir behind a middle school in Qingshi County, Hubei Province and stayed there for 11 days.

“They are very close to a village. They would never land at a place like that if they were in good condition,” volunteer Li Zhenwen of Wuhan told *ChinaReport*.

Qingshi County is more than 1,000 kilometres from Poyang Lake. In early 2019, Zhou travelled to important landing sites along the changing migration routes of white cranes. Zhou said there are fewer places for white cranes to land.

“We needed to find some proper places for cranes to rest,” Zhou said.

No. 419 provided a solution. Data showed the bird had flown along the east coast to Shijiu Lake, Jiangsu Province and stayed there for 13 days. White cranes had never been sighted at the lake before.

“Shijiu Lake could possibly become a new landing site and even wintering location for white cranes,” he said. Covering more than 207 square kilometres, Shijiu Lake connects to the Yangtze River. Environmental inspectors banned fishing here years ago, and Zhou saw abandoned nets piled on the banks.

Honing Habitats

More than 98 percent of the white crane population spend their winters on Poyang Lake. “It’s like putting all your eggs in one basket. If Poyang Lake is damaged, white cranes could go extinct,” said Jia Yifei, a post-doctoral researcher with the School of Nature Conservation, Beijing Forestry University.

In January 2019, Zhou Haixiang and his daughter Xueting left Shenyang for Poyang Lake to inspect the habitats of white cranes. White cranes like to eat the stems of water plants such as eelgrass, sedges and water chestnut. However in recent years, birds have resorted to feeding on the rice and lotus root of encroaching farms.

Zhou said Poyang Lake is abundant in fish and shrimp in summer and in winter. The lake’s mudflats and over 100 connected lakes are the perfect habitats for water birds such as white cranes.

“There are a number of lakes that used to connect to the Yangtze River and we’ve found evidence of white crane activity in many places,” he said. “Nowadays, most of the lakes are separated by dams and sluice gates.”

Poyang Lake is seeing more droughts than previously recorded, which have affected irrigation and water levels. To address these issues, Jiangxi provincial government announced in November 2016 its plans for a 13 billion-yuan (US\$1.8b) water conservancy project on the lake.

The announcement drew mixed responses among experts. Debate sparked once again on March 24, 2020 when Jiangxi government said it would speed up construction of the project. In a public letter, Zhou wrote: “The project is highly likely to ruin the most important habitat for migratory water birds in China and even in the world.”

On May 11, volunteers noticed No. 419’s tracking device had not shown any movement for days. Zhou asked volunteers in Tongliao to check it out. They found the crane was still alive and well in Tongliao. On May 12, Zhou was happy to learn that “Gun Survivor” had arrived safe and sound in Yakutia, Siberia.

That afternoon, No. 419 flew to the Tumuji National Nature Reserve, Inner Mongolia Autonomous Region. Zhou said the reserve is the only area where she does not need to rely on farms for food since leaving the Huanzidong Wetlands. It took No. 419 a total of 35 days to fly from Poyang Lake to Tumuji, a distance of roughly 2,000 kilometres.

“She’s still more than 3,000 kilometres away from Siberia,” Zhou said. “She will fly north alone without the help of volunteers.” ★

Mount Qomolangma

Height Matters

A team of Chinese mountaineers and surveyors were the only climbers to stand on top of the world in 2020 – their mission to calculate the height of Mount Qomolangma

By Yang Zhijie

Sixty years after the first ascent of the tallest mountain in the world by a Chinese team in 1960, a team of climbers and surveyors stood unexpectedly alone at the peak in an unusual climbing season curtailed by the coronavirus pandemic.

The group had a motive other than commemorating the earlier climb. Setting off on their third attempt on May 24 after having been beaten back by the weather on two occasions, the team clambered to the top of the world on May 27 at 11am and immediately got to work – making a new measurement of the height in an attempt to resolve a vexing question.

On May 6, the base camp on the Tibetan side of Mount Qomolangma, otherwise known as Mount Everest, at 5,200 metres above sea level, saw good weather with high visibility. The snow on the summit was clearly visible. Yuan Fudong stuffed his sleeping bag

into his backpack, and along with the other 30 team members, all dressed in red mountaineering gear, gathered for a simple ceremony at 1pm before setting off towards the next camp.

The team, composed of professional climbers from the China Mountaineering Team and surveyors from the Ministry of Natural Resources (MNR), climbing in a season when all other attempts on the world's highest peak had been halted due to the Covid-19 pandemic, had a specific goal. Its mission was to accurately remeasure the height of the mountain using state-of-the-art equipment, including the Global Navigation Satellite System (GNSS), a gravimeter, which measures differences in gravity from place to place, snow depth radar, meteorological measuring instruments and surveyor's beacons.

The weather forecast for May indicated three good weather windows that could allow an attempt on the summit. Departing on May



PHOTO BY XINHUA

A yellow-billed chough flies above the National Nature Reserve in Mount Qomolangma, April 16

6, the team aimed to meet the window on May 12, but a change in the weather caused the attempt to be abandoned. They tried again on May 16, aiming to summit on May 22, but bad weather due to Cyclone Amphan derailed this attempt. On both occasions, teams laying ropes on the upper slopes were forced back to base camp.

Conflicting Measurements

Straddling the China-Nepal border, Mount Qomolangma's height is globally recognised as 8,848 metres. Called Sagarmatha in Nepal, the first attempt to measure the mountain was in 1852 by Indian mathematician and surveyor Radhanath Sikdar, who put the height at 8,840 metres, his calculation announced in 1856 by the then-British colonial government. The current height of 8,848 metres was established first by another Indian survey in 1955, and then confirmed by

a Chinese team which summited in 1975, who measured the height as 8,848.13 metres above sea level. Currently, Nepal recognises the 8,848 height. In 2005, the former Chinese State Bureau of Survey and Mapping sent a team of 24 to measure the height. Excluding the snowpack, the new height was announced as 8,844.43 metres, however this height was not recognised by Nepalese authorities at the time. Other international teams have attempted to measure the elevation, all with differing results, none of which have been officially recognised. These include a US team in 1999 which measured the mountain at 8,850 metres, and an Italian team in 1992 which gave a height of 8,846 metres.

"There are two main reasons why we're remeasuring. One is due to the changing height of Mount Qomolangma and the second is modern measuring technologies, which significantly improve accuracy,"

Dang Yamin, a researcher at the Chinese Academy of Surveying and Mapping and head of the survey team told *ChinaReport* in mid-May.

Basically, the mountain, which is in a tectonically active zone, sinks due to major earthquakes, and rises in between. Due to plate tectonics, the Indian Plate is still pushing northward into the Eurasian Plate, a collision which created the Himalayan Range and the Qinghai-Tibet Plateau. This means Mount Qomolangma is rising 4.4 millimetres per year, an increase of 4 centimetres each decade, or 13 centimetres in 30 years. If the margin of error when measuring the peak is about 10 centimetres, then the height should be measured every 20 to 30 years, Dang said.

Earthquakes have the opposite effect. A magnitude 8.0 earthquake in 1934 struck Nepal, with the epicentre only 9.5 kilometres from Mount Qomolangma. The summit lost 63 centimetres. The epicentre of the April 2015 8.1-magnitude earthquake in Nepal was 200 kilometres from the mountain and it is thought to have knocked a few centimetres off the height. Some researchers used satellite remote sensing data to study the height of summit, which indicates a possible decrease, but this method is relatively imprecise. An accurate measurement requires geodetic observation.

As well as the height, Dang said the mission intends to gather data on tectonic plate motion and the influence of earthquakes on Mount Qomolangma in the Qinghai-Tibet region. Accurate data such as peak snow depth, meteorology, wind speeds and glacier monitoring can further provide first-hand information for natural resources monitoring and ecological environment protection in and around the neighbouring region.

Global Disagreement

There is still no international agreement on the height of Mount Qomolangma. Geologists disagree on how to calculate mountain heights. There are questions over whether to take the height from the snowpack, or from the actual bedrock. Nepal chose to calculate the top based on the snow cover. There are two routes to climb Qomolangma, from the northern Chinese side or the southern route in Nepal. The south face route is more established commercially, and Nepalese mountain authorities give more permits. In 2019, the Nepalese government issued 381 permits, with each providing US\$11,000 in revenue for Nepal, as well as tens of thousands of dollars paid to mountain expedition companies and their staff. According to a 2018 *New York Times* article, the lower height recognised by China persuaded many climbers to opt for the Nepal route. “Having those few extra feet recognised on summit certificates was enough for some mountaineers to switch routes, opting to climb from, and spend money in, Nepal,” the article said.

In 2017, Nepal announced it would conduct its own survey, send-

ing teams in 2017 and 2018, which would use a combination of traditional and modern methods. The Nepali spokesperson for the survey department told the BBC in May that it has almost finished collating the data, and was preparing to go public with the result, however the pandemic has delayed the process. In October 2019, a joint statement released after Chinese President Xi Jinping visited Nepal stated that the two countries would “jointly release the height and conduct scientific research.”

In 2005, China took its measurement from the rock surface. “There is significant error if you measure the height of the snowpack due to the change in different seasons throughout a year. The wind can blow away the top layer, the sun can melt it, so it means you get different measurements at different times. It’s hard to say who’s right and who’s wrong,” Dang said. “The rock surface height changes only four millimetres per year. If we measure every five years, the height difference should be two centimetres maximum. But if the difference is higher, it means one of the two measurements is wrong.”

Dangerous Journey

The journey to the summit of Mount Qomolangma is dangerous, and the organisers invested huge manpower, material resources and financial resources into the effort.

Addressing why modern technologies such as satellite remote sensing images or GPS positioning systems that are widely available cannot be used to directly measure the height, Dang said that satellite remote sensing images are mainly used for surface detection. Heights can only be measured with a margin of error of two metres, and only from the top of the snowpack.

Other ways to measure the mountain have been discounted as being too dangerous or unfeasible, such as measuring by aircraft or drone, due to operating limitations and the harsh conditions above a peak over 8,000 metres. It is felt that the most accurate measurement can only result from sending a team to the peak.

There are two main methods of height measurement. The first is by using triangulation where correcting for gravity, atmosphere and other aspects allows a height to be obtained. The second method is through GPS satellite geodesy, initially used in 2005, but this requires someone to place a GPS receiver at the summit.

The 2020 expedition is using GNSS satellite survey, precision leveling, photoelectric ranging, snow-deep radar measurement, gravity measurement, astronomical measurement, satellite remote sensing, quasi-geoid refinement and other traditional and modern mapping technologies. Using China-made equipment has been a breakthrough this time. “In addition to aerial gravimetry, the rest is still based on technologies adopted in 2005, but this time we used a lot of domestic equipment,” Dang said.



PHOTO BY CNS

Surveyors from China's Ministry of Natural Resources pose for a photo at Mount Qomolangma base camp, Tibet Autonomous Region, April 14, 2020

GNSS satellite measurements consist of four systems: BeiDou (China), GPS (US), GLONASS (Russia), and Galileo (EU). "In 2005, GNSS satellite measurements relied mostly on GPS. This year, we will refer to the four global navigation satellite systems concurrently and mainly depend on data from the BeiDou Satellite Navigation System," said Li Guopeng, head of the first Geodetic Surveying Brigade under the Ministry of Natural Resources, at a press briefing before the project launched.

Another innovation is the first use of aerial gravimetry for the measurement attempt. Dang said that the accuracy of the measurements could be about 30 to 40 percent higher.

"The height we see when we look at it is not its true height," Zhang Yanping, leader of the 2005 survey team said during an earlier interview with the *People's Daily*. "Because the earth is elliptical, and the starting point of your sight is the point at your feet, not the point at the foot of Mount Qomolangma, so you see the summit as lower than its true height." Therefore, the prerequisite for precise measuring of the elevation of Qomolangma is to find the zero elevation point at the foot of the mountain.

China takes the average sea surface of the Yellow Sea at Qingdao tidal station in East China's Shandong Province as the zero elevation point. "One can imagine a sea level, which is a curved surface, with all the gravity values equal on the surface. This is the zero elevation starting surface. There is a gravity value on the surface where the zero elevation point at Qingdao is located. The same gravity value below Mount Qomolangma, once found, could be taken as the starting sur-

face then," Dang said, adding that it would be more accurate.

Despite the significant advantages of aerial measurements, it is difficult for an aircraft which would take the measurements to operate safely that high. It is more suitable for low altitude areas.

"The peak is over 8,800 metres, and the aircraft is flying at an altitude of 200 metres above it, which is very dangerous. The north face of Mount Qomolangma is complex in terrain, with an unstable climate. Experienced pilots pointed out the dangers of attempting it, which might even cause the aircraft to crash," Dang said.

After the proposal was rejected, Dang's team did not give up. As they learned later that the China Centre for Aerial Geophysical Prospecting and Remote Sensing of Natural Resources would be able to complete the task, they worked on a detailed technical plan for six months. After it was reviewed by experts, it was included in the overall project plan for the measurement.

There is only one month a year in which there is a weather window to climb Mount Qomolangma. As summiting the mountain becomes more popular, this is why we see pictures of people stuck in "traffic jams" as occurred last year on the Nepalese side. Eleven climbers died in 2019, with much of the blame pointed at inexperienced climbers and companies eager to make money.

The Chinese survey team did not want to take a chance on the weather for this attempt even though unexpectedly they found themselves alone on the mountain. The Meteorological Bureau of the Tibet Autonomous Region set up a 16-strong meteorological support team divided into two support service groups to provide meteorological detection and weather forecasts.

In order to ensure communication, the Tibet Autonomous Region Communications Administration organised China Mobile Tibet Branch to implement the "5G on Mount Qomolangma" plan. Netizens were able to watch real-time video transmissions from the base camp and the moment the surveyors reached the peak and started their measurements. Transporting eight tons of network construction equipment and life support materials by yak, five 5G base stations were built at the 5,300 metre base camp, the 5,800 metre transition camp and at the 6,500 metre advance camp, providing gigabit broadband and special line access. Furthermore, three 4G base stations were built along the route. Specialist staff was stationed at the high altitude camps to ensure the network operated smoothly with reliable data transmission. Data obtained would be sent back to the Geodetic Data Processing Centre of the Ministry of Natural Resources in Xi'an in real time.

When the team of eight climbers finally reached the summit, they had to work quickly. They finished the positioning of the equipment and other observations within two hours. But the result will not come immediately. It is expected that the final height will be released in two or three months. "We still need to be patient and wait for the final result," said Dang. ★

Consumption

SERVICES WITHOUT A SMILE

Experts predict it will take a long time before China's service sectors recover from the Covid-19 pandemic and the much-anticipated surge in consumption is unlikely in the near future

By Zhao Yiwei and Xu Ming

With a chair and sign advertising a “10 yuan (US\$1.4) haircut,” Guo Fei earned 120 yuan (US\$16.8) in two hours at his makeshift stall in a community in Beijing.

This is just a quarter of the price he normally charges at the salon where he works in Sanlitun, a bustling shopping area in the city.

Before the Covid-19 pandemic outbreak, the salon was so busy that Guo and his colleagues didn't take walk-ins. But they've seen few customers since it reopened on April 15, when authorities eased restrictions on businesses to contain the Covid-19 pandemic.

To drum up business, Guo and his colleagues began offering streetside cuts near the salon.

“This is the worst I've seen for our industry in 20 years,” Guo told *ChinaReport*.

Guo and his colleagues are not alone. The sharp drop in demand for service industries has been felt across the board, from dining and hairdressing to entertainment and fitness. Though China has emerged from the pandemic, business owners have yet to see the rebound in consumption they had expected.

Cai Zhen, a researcher at the National Institution for Finance and Development, said that services where price has a greater impact on demand would take longer to recover, and few analysts believe the recovery

will be large enough to make up for the business lost. This poses a challenge to China's economy, in which service sectors play the largest role.

Long Winter

Chen Linlin, who owns a board game café in Sanlitun, prepared as usual for what has always been her busiest time of year – the five-day May Day holiday. But customer turnout was far below average.

A March survey of 5,434 offline shops by the research arm of Meituan Dianping, a food delivery and services platform, showed that 74.5 percent of reopened shops did not see a single transaction and 11.5 percent reported less than 10 percent of the turnover they had during the same period last year.

What's worse, many services still have no timetable for reopening. At a press conference on May 2, Li Sufang, a Beijing city official, announced pandemic control restrictions would continue for cinemas, dance clubs and music venues, internet bars, mah-jong parlours, sports venues, indoor tourist spots such as museums and cross-provincial and cross-border group tours.

The China Film Association issued a notice demanding authorities set a nationwide reopening date, the *Securities Times* reported on June 5, as the nearly four months of closures have taken their toll. Statistics from

Tianyancha, an industrial data provider, show that 2,700 cinema-related companies have gone bankrupt or closed their doors.

While still struggling, catering, a pillar of the service sector, resumed business earlier than others as demand is higher. In Shanghai, “80 percent of restaurants have reopened, but revenues are only at about 50 percent and recovery for restaurants that serve slowly prepared meals has been the most challenging,” said Jin Peihua, deputy secretary of the Shanghai Restaurant Cuisine Association.

Guangdong Province is also struggling. Cheng Gang, secretary general of the Guangdong Restaurant Association, told *ChinaReport* that restaurants focused on formal dining rely heavily on banquets, which have declined sharply since the pandemic began.

Jiang Xu, a manager at a Chinese restaurant chain, said that eat-in restaurants nationwide are seeing less than 50 percent of their previous business. And because these restaurants are usually larger, they have higher rents and overheads. But the financial support they receive from the government is limited to meeting immediate needs, Jiang said.

Pandemic control measures such as spacing diners one table apart and restricting the flow of customers have also hurt restaurant revenues. A manager of a Chinese restaurant chain in Shanghai who asked to remain



A couple sits at two separate tables at a restaurant in a shopping mall in Tianjin, March 11, 2020

PHOTO BY CNS



Mask-wearing models work at an auto expo at Hunan International Convention and Exhibition Centre in Changsha, Hunan Province, May 2, 2020

PHOTO BY VCG

anonymous told *ChinaReport* that as long as pandemic control measures are in place, restaurants would not match last year's revenues.

"It will take at least three months for catering to recover. People's dining habits have changed. Fewer people go out to eat now and

they go out less frequently. More companies will go bankrupt if difficulties persist in generating cash flow and access to capital," said Jin.

The service sector has been the largest driving force in China's economy since 2014,

creating more jobs than manufacturing since 1994, according to the National Bureau of Statistics (NBS). Yao Yang, dean of the National School of Development, Peking University, said during an online forum hosted by China Media Group on May 22 that more than half of the country's urban workforce is employed by small businesses with less than five people, most of which are in the service sector.

Stimulating consumption in the service sector has been a priority for government at all levels, which has handed out billions of yuan in discount coupons for tourism, retail and catering. Many local officials are eating out at restaurants and shopping to encourage the public. In early May, authorities ordered reductions and delays in rent payments for small businesses struggling in sectors such as catering, hospitality, tourism, education, housekeeping, film and beauty.

Set for a Struggle

Companies are doing their best to mitigate losses. Pan Xue, owner of a nail salon in Beijing, said she has been taking customers with prepaid membership cards from 10 closed nail salons. Closing shops commonly transfer their prepaid accounts to larger ones at a loss to avoid disputes with customers, Pan said.

Many restaurants have adapted their menus for takeout, a move that Jin Peihua said is essential to increasing revenue. During the pandemic, fast food contributed at least 25 percent of the total revenues for the industry while restaurant takeout accounted for less than 10 percent, according to Jin.

These efforts have paid off. NBS data showed that in April, revenue from catering and retail dropped by 31 percent and 4.6 percent year-on-year, compared to their declines of 46.8 percent and 12 percent in March. According to the Ministry of Commerce, retail, catering and hospitality recovered faster

during the five-day May Day holiday than over the Qingming Festival, or Tomb Sweeping holiday, in early April.

But there are still challenges ahead. An analysis by the NBS and the China Federation of Logistics and Purchasing showed that more than half of all enterprises in service sectors reported weak market demand in May. This decline led to decreased tax revenue, which adds to the financial pressures on local governments.

In less developed areas where governments have fewer financial resources to support businesses, service industries and tax revenues will take more time to recover.

A report on household finances during the pandemic released by the Southwestern University of Finance and Economics (SUFU) and Alibaba's Ant Financial on April 21 showed that in the first quarter, lower income groups and freelancers were affected the most, making any projected surge in consumption unlikely.

"More than half of all households said they intended to increase their savings and reduce consumption. People tend to save instead of spend during times of uncertainty," said Gan Li, director of the Survey and Research Centre for China Household Finance at SUFE.

Because demand for many services is heavily affected by changes in price, experts predict that it will take at least 10 months to return to pre-pandemic revenues despite stimulation policies. "The coupons do stimulate demand and the effects have been better in retail and catering, which have inelastic demand," Cai said. He suggested coupons should target specific fields to boost demand in services more affected by price changes like entertainment, beauty, fitness and hospitality.

"Demand for optional consumption such as tourism and entertainment will return gradually only when consumption in sectors with inelastic demand like retail and catering is restored," Cai said. ★

(Guo Fei, Chen Linlin, Pan Xue and Ji-ang Xu are pseudonyms)

CHINA BY NUMBERS

US\$646 billion

Overseas portfolio investment assets held by investors from the Chinese mainland by the end of 2019

Source: State Administration of Foreign Exchange of China

Top five destinations of portfolio investments by investors from the Chinese mainland

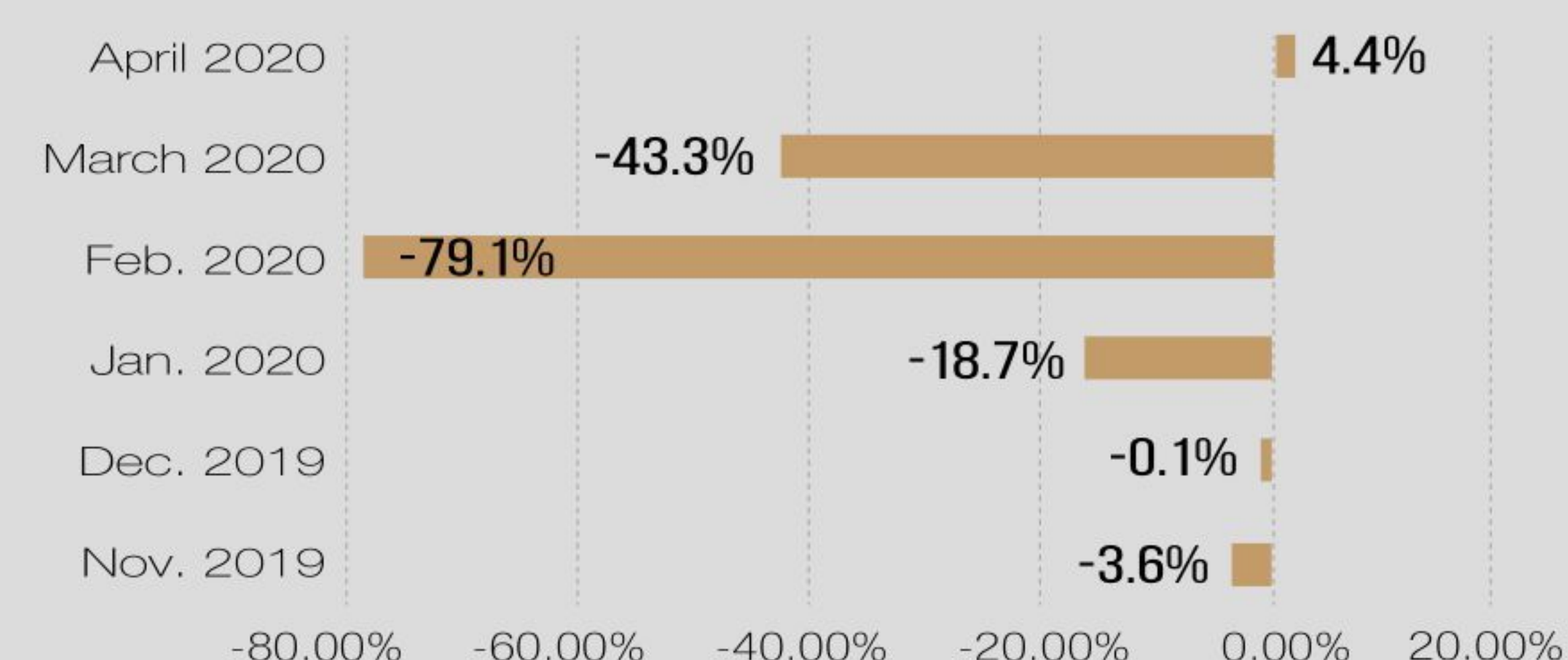


4.4%

Year-on-year growth in auto sales in April in China, totalling 2.07 million, the first rise in 21 months

Source: China Association of Automobile Manufacturers

Year-on-year growth in monthly auto sales between November 2019 and April 2020



38.5%

Chinese government debt-to-GDP ratio by the end of 2019

Source: Ministry of Finance of China



54%

Increase in sales of gold in May over the previous month, while sales of gold investment products rose by 32 percent year-on-year

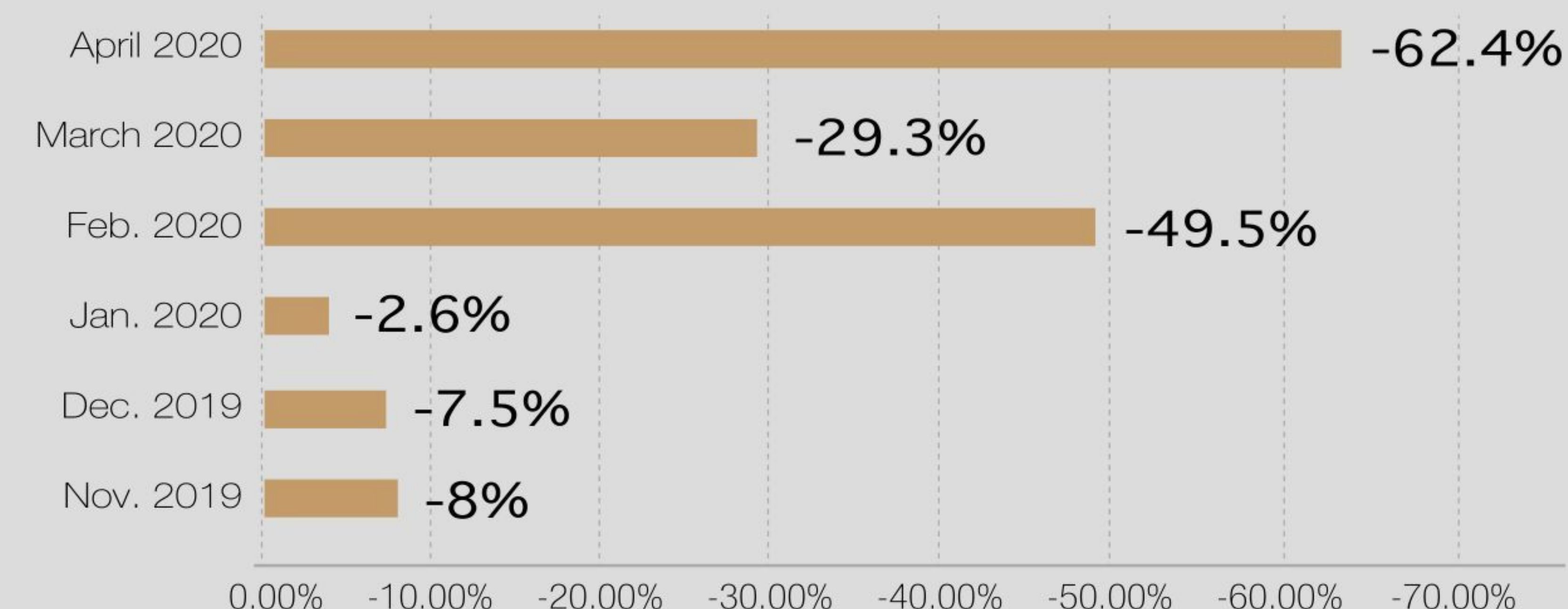
Source: China Gold Association

US\$9.1 billion

Source: State Administration of Foreign Exchange of China

Deficit of China's foreign trade in services in April, the lowest since January 2015

Growth in services trade deficit between November 2019 and April 2020



Books

A Century of Memories

The memoirs of a 100-year-old woman reflects the vicissitudes of love, loss and family through rarely seen portraits during China's upheaval and transformation

By Kui Yanzhang

At her 100th birthday party in March, Gao Caiyun recited lines from “The Ode to Mulan” as her grandchildren shot video on their smartphones.

“Father has no grown-up son, Mulan has no elder brother. / I want to buy a saddle and horse, and serve in the army in Father’s place.”

Something in the spirit of the sixth century poem about the legendary female warrior Hua Mulan resonates with Gao’s life.

Born in 1920 in Jiangsu Province, Gao was a daughter of an influential landowning family. She attended a missionary school and wed a landlord’s son in an arranged marriage. After 1949, she went on to become a respected elementary school teacher who raised four children on her own.

Now she is the family matriarch with four children, nine grandchildren, nine great-grandchildren and a great-great grandson.

Soon after her party, her book which is titled *This Life: A Memoir of a Grandmother 1920-2020* was published on April 1. Written with Gao’s daughter Zhao Lijun and edited by her granddaughter Yang Yang, the memoirs intertwine the lives of ordinary people with historic events in the tumult of the 20th century.

Her Story

Gao begins her story with her great-grandfather, a Qing Dynasty (1644-1911) official and wealthy landowner who had a wife and two concubines.

“My grandfather had no claim to the family property because he was a son of a concubine,” Gao said. “It was his younger brother, Master Eight, my great-grandfather’s eighth child and his only legitimate son, that eventually took charge of the family.”

The Gao family was a large one. “I had 15 uncles, 10 aunts and lots of cousins. We all lived together once before,” she said. But when Master Eight died, the family succumbed to disputes over the estate.

Relatives scrambled for pieces of property, furniture and anything else they could stake a claim to. Gao’s father ended up with a chemist, an oil mill and the largest mansion.

Gao was six years old. “I was so little and lost, looking up and watching them greedily snatching things up left and right. In the chaos, I saw a beautiful flower-patterned basket. It was so lovely but nobody wanted it. So I took it home. My father later told me it was a ‘promotion basket’ that belonged to my great-grandfather. My great-grandfather would never have imagined that his descendants would destroy the property he worked so hard to accumulate during his life in a single day,” Gao said.

As the eldest daughter, Gao was deeply loved by her parents who had no preference for sons, a rarity in that era. She was first educated in the Chinese classics at a traditional private school. Her teacher wore his hair in a traditional Manchu queue, the official hairstyle of the Qing Dynasty.

At 10, she was sent to a Christian school founded by American missionaries.

“I still remembered the education there all revolved around the word ‘love.’ Teachers taught us to love people, be humble, patient and kind, and that we should overcome evil with goodness and never pay back evil with evil,” Gao said.

Gao later studied in a private school for girls in Xuzhou for four years, but her education was cut short by the Lugou Bridge Incident in July 1937, which marked the start of the Japanese invasion. Gao, then 17, was married off to the son of a landowning family surnamed Zhao.

In her book she describes how parents would arrange marriages, starting with a “preliminary test.” “But that didn’t involve meeting each other,” Gao said. “First, the parents would go to see whether the person was a suitable match for their child.”

Gao's mother was the first to meet the young Zhao. The meeting was planned for the afternoon. Gao's future husband, accompanied by the matchmaker, walked slowly down the street and passed the shop where her mother was standing.

"My mum was so concerned about my marriage that she was extremely focused on what was happening. When my prospective husband appeared, my mum fixed her eyes on him and didn't blink. She even wished time would stand still so she could drag him over and scrutinise him from head to toe. When the meeting was over, my mother described him to me in vivid detail, from his face and figure to the colour of his outfit," Gao said.

By the time the People's Republic of China was founded in 1949, Gao was a mother of four. An educated woman, she became an elementary school teacher. It would be her lifetime career.

In 1955, when Gao was 35, her husband made a careless mistake while planting potatoes in their village commune. He fled from home.

"The reason he ran was simple – he was afraid of being punished," Gao said. "He did not tell me any details of his plans to escape. When I returned home from school, the house was empty and blanketed with a thin layer of dust. After two weeks, I received a letter without a return address. The content was simple: 'I'm sorry I didn't tell you about my leaving in advance. Take care of yourself and the children and forget about me. I'll be leaving for Xinjiang [Uygur Autonomous Region] a few days from now.'"

Alone, Gao struggled to feed and raise her children on a meagre income. Her husband would return 16 years later, though he had started a new family in Xinjiang.

Gao also talks about the people who made lasting impressions on her life: the priests who gave local kids candy and toys and ran free field clinics to treat illnesses; the Japanese soldiers who occupied Gao's old mansion; a distant cousin who was executed by the Kuomintang government for his Communist beliefs; the poor who used to treat scabies with gunpowder; and her younger brother, a Kuomintang officer who fled to Taiwan and waited 40 years to reunite with the family on the mainland.

Storytelling Sessions

In 2015, Zhao Lijun, Gao Caiyun's eldest daughter, decided to write her mother's memoirs. "My siblings live in other provinces or regions of China, or abroad. I'm the only one who lives with her and had plenty of time to talk with her. I wanted to record her memories as a gift to the whole family," Zhao told *ChinaReport*. "Considering my mother's age, it had to be done as soon as possible."

Yang Yang thought of her grandmother as a talkative woman who



A photo of Gao Caiyun (middle), her daughter Zhao Lijun (left) and her granddaughter Yang Yang (right) taken in 2009

"could recite lots of poems, was of firm body and mind and could still travel alone at the age of 80." Yang, now living in Ireland, had worked as a reporter for the *Anhui Daily* and as a translator for the Lonely Planet travelbook series.

The mother and daughter worked together on the project. Yang coached Zhao on interviewing and writing. "I told my mother that the writing should include lots of precise details, be moderately descriptive, and have less subjective and emotional commentary. Rural life in South China, life in a landowning family, the traditional school, the way local people thought, their customs and language – all these details are of interest to contemporary readers and should be given more ink," Yang told our reporter.

Zhao described the interview process with her mother: “My mum has an excellent memory but is hard of hearing. I had to talk to her in a loud voice. Our conversations would sound like we were arguing. So as not to disturb others, I would take her to the riverbank in her wheelchair to talk in a quiet place.”

Many of Gao’s stories happened before 1949. Zhao, born in 1951, said they felt distant and unfamiliar. “My mum is quick with her speech and temper. She often spoke so fast that I wouldn’t catch it. If I asked her to repeat a detail, she would complain, ‘I’ve told you a thousand times! You’ve got the memory of a goldfish!’” Zhao said.

Zhao was 65 when she started the memoirs, and did not know how to use a computer or the internet. But she taught herself slowly, pecking at the keyboard with one finger on each hand. She would only get through 300 words in an afternoon.

It took Zhao one year to finish her first draft. Now 69, Zhao plans to use her newly acquired skills to write her own memoirs. She is eager to share her time as a “sent-down youth” in the late 1960s. Between 1968 and 1978, China’s Down to the Countryside Movement saw an estimated 17 million people between 15 and 23 years old sent from their city homes to remote villages and border regions across China to work, often labouring in harsh conditions.

Living History

Previously the subject of academic study, oral histories began drawing wider audiences in China in the 1980s. One of the most famous accounts is *My Husband Puyi: The Last Emperor of China*, edited by historian Wang Qingxiang based on the oral account of Li Shuxian, the fifth and the last wife of Puyi, the last emperor of the Qing Dynasty (1644-1911). Li and Puyi had a happy but short-lived marriage as Puyi died five years after being diagnosed with cancer in 1967. The book, published in 1984, was adapted into the film *The Last Emperor* by Hong Kong director Li Han-hsiang in 1986. A significant oral document, the book inspired films and documentaries concerning the late life of China’s last emperor.

Since 2000, oral historical accounts sprang up in the mass media. One of the most noted projects is a series of oral history documentaries produced by TV talk show host Cui Yongyuan such as *Stories of Movies*, *My Long March*, *My War Against Aggression* and *My Motherland*.

In the 2010 documentary *My War Against Aggression*, Cui’s team interviewed more than 3,000 people who participated in or witnessed the War of Resistance Against Japanese Aggression (1931-1945). In 2012, Cui founded the Oral History Research Centre at the Communication University of China, later becoming the country’s largest oral history research institution.

However, documented oral histories about regular people’s lives are rare in China.

“Most won’t get published. Even if they are, sales would be a big problem,” Sun Huifang, the planning editor for *This Life*, told *ChinaReport*.

Chen Huiyan, the book’s chief editor, read Yang Yang’s series of her grandmother’s stories on Douban, China’s leading media review website, three years ago and found it gripping. “The story struck a chord with me,” Chen told *ChinaReport*. “I was born in the 1970s and had experiences similar to what Gao’s family had been through. When I was a kid, I saw my family ripped away from the extended family after we got our share of the estate and also experienced the gradual dissolving of the patriarchal family.”

The book was a commercial success and was met with critical acclaim. “History is never an abstract concept about time, changes and objective laws. It’s actually happening to everyone at every minute, everywhere. Like this book, a 100-year-old woman puts her memories into words, revealing real details of history from the ordinary but great lives of everyday people,” writer Yan Hong said of the book.

“The book gives a strong sense of reality. It doesn’t use over-descriptive language, and instead uses simple and real words. It neither means to focus on the dark sides of history nor sing its praises, but rather documents what a regular person saw and felt during these tumultuous changes. One hundred years of her life’s ups and downs are compacted into this little book,” Douban user Fu Lin commented.

Many readers post to Yang on Douban saying that the book inspired them to write their own family histories. “If people find the senior citizens in their families have stories to tell, write them down as quickly as possible. It’s a race against time. These stories will disappear someday,” Yang said. ★



Film Industry

Reeling From Crisis

As the country begins to ease lockdown measures and allows cinemas in some parts to reopen, the industry is working out how to get business back to normal

By Yang Qun

Since January, the film industry has been among the hardest-hit sectors in the Covid-19 pandemic, missing the Chinese New Year and May Day holiday (May 1-5), major box office earners.

After three months, the film industry was greenlighted to reopen. On May 7, the State Council issued guidelines for opening indoor venues including cinemas, reflecting China's lowering of its public health emergency response level to the pandemic.

Yin Hong, vice president of China Film Association, told *ChinaReport* that the limits on cinemas, film production, investment and film companies have devastated the industry.

Yin estimated it could be one year before China's film industry sees its pre-pandemic numbers. "It'll be a tough road for the industry to fully recover. But as demand for film is still strong, filmgoing will become part of people's lives once again," he said.

Ticket to Recovery

At an April 29 meeting to discuss how the film industry has responded to the epidemic, Wang Xiaohui, director of the China Film Administration (CFA), said that "the epidemic has created an unprecedented crisis for the film industry that is forcing it to reform and upgrade."

Wang said that the national-level administration should combine relief efforts for cinemas with long-term ones, such as preferential fiscal and tax policies, and encourage local governments to do the same.

The CFA predicted that box office revenues would drop by 30 billion yuan (US\$4.16b), from cinema closures and home isolation during the pandemic, compared with 2019's 64.3 billion yuan (US\$8.9b).

According to statistics from Chinese entertainment database Enbase, Q1 2020 box office revenues were 2.24 billion yuan (US\$311m), an 87.94 percent decrease compared to the same quarter last year.

Some pre-pandemic industry figures projected ticket sales reaching

8 billion yuan (US\$1.1b) over the Chinese New Year holiday. Actual box office numbers were less than 24 million yuan (US\$3.3m).

ChinaReport found that as of April 17, 10 of China's 16 listed film companies reported negative first-quarter earnings with accumulated losses of more than 1.1 billion yuan (US\$152m).

Wanda Cinemas saw the greatest drop in Q1 revenue – 250 percent year-on-year – with a deficit of nearly 600 million yuan (US\$83.3m). China Film Group Corporation lost 227 million (US\$31.7m) in the first quarter, 163 percent less than the same period last year.

Other major companies such as Huayi Brothers Media Group, HG Entertainment and Guangzhou Jinyi Media Corp were also in the red.

There are still plenty of hurdles for cinemas to overcome before they can return to normal.

As the new guidelines issued by the State Council require, cinema-goers can only preorder tickets and cinemas must limit the number of patrons. Cinemas must enforce strict social distancing measures. People have to sit at least one metre apart and wear masks. Seats and screening rooms also must be disinfected daily.

But a pressing challenge for cinemas is making customers feel safe after the pandemic. "Even if cinemas reopen, I don't think I will go to the cinema this year. There are still risks of getting infected, aren't there? I'd rather watch films at home," Wang Runqi, a Beijing-based IT company employee, told our reporter.

Home Screen Home

While the pandemic has delivered a crushing blow to the film industry, it has catalysed the growth of streaming services.

During the Chinese New Year period from January 25 to February 8, China's three main online video platforms – Tencent, Youku and iQiyi – released 42 online films.

According to a report by Alibaba Pictures on China's online film market for Q1 2020, at least 24 online films earned more than 10 million yuan (US\$1.4m) for producers after splitting the proceeds with



PHOTO BY ZHANG HENGWEI

People wear masks at a cinema in Shanghai, January 23

online video platforms, twice as many as in the same period in 2019.

A report by online streaming platform iQiyi on the 2019 online film industry showed online films saw a total of 4.82 billion views, a 24 percent increase of the previous year's 3.89 billion.

On May 1, *The Enchanting Phantom*, a remake of the 1987 award-winning film *A Chinese Ghost Story*, was released only on Tencent Video. As of May 25, *The Enchanting Phantom* had earned 35 million (US\$4.9m) after splitting the profits with the video platform and is projected to take in more than 100 million yuan (US\$13.9m) during its six-month run.

The most successful online film in China is the recent remake of *The Thousand Faces of Dunjia*, which has earned over 50 million yuan (US\$7m) through iQiyi and Tencent Video.

Online films have a long way to catch up with the big screen. Production budgets for online films are normally tiny in comparison, ranging from 6 million yuan to 20 million yuan (US\$847,200-2.8m). Traditional filmmakers and audiences have long associated online films with coarsely made, poor quality productions that rarely attract big stars.

Although some online films have performed well this year, they have met with mixed reviews. *The Enchanting Phantom* had a budget of nearly 40 million yuan (US\$5.59m) – an unprecedented amount for an online film. Saturated with special effects and yet lumbered with a lackluster screenplay, the film scored 4.9 out of 10 on Douban, China's leading media review website. Similarly, *The Thousand Faces of Dunjia*, *Sniper* and *Mojin*, while box office hits, scored 5.4, 4.8 and 2.9 on Douban.

Despite the Covid-19 pandemic sparking massive industry layoffs, Yin Hong said that the online film sector may benefit. "The online film industry might not absorb the established filmmakers, but, more likely, it will train a group of new talented young filmmakers and provide an excellent talent pool for the entire industry," Yin told *ChinaReport*.

Industry Reshuffle

The pandemic has also changed the landscape for investment in China's film industry, insiders said.

Liu Lei, the film investment manager with financial service provider Far East Horizon, told *ChinaReport* that most capital investment projects have been suspended or withdrawn, while ongoing projects are basically fuelled by industrial capital.

"There are inherent contradictions between capital investment and the film industry. Capital craves certainty but the film industry is full of uncertainties, which is why the two cannot integrate completely," Liu said.

"During the time when the entire industry was developing with support from the authorities, we still could find a way to merge capital investment and the film industry. But in the last few years, the drastic shift in policies put more restrictions on the film industry, which saw the withdrawal of a sizeable amount of capital," she said. "The pandemic has laid bare the intrinsic contradictions between them."

Yin Hong, however, argued that the continuous withdrawal of hot money would help the industry in the long run. "If capital craving quick returns from other sectors withdraws from the industry and leaves the capital aiming to make quality films, film financing will become more professional. It doesn't matter if it leads to a reduction in total productions, since most films normally can't get into major cinemas," Yin said.

"In the past, the blind influx of hot money distorted the film market and drove up production prices. The unbelievably high fees for A-list actors is a consequence. Now, the withdrawal of hot money will benefit the film market's recovery," Yin said. For years, Chinese film celebrities were among the highest-paid in the world as studios offered eye-popping salaries to lure audiences.

Liu said that while capital support may weaken, the pandemic would cause the film industry to merge and integrate more deeply.

"Because of policy changes and other incidents, the industry has been merging since 2018, but progress was slow. The pandemic has sped things up, changing previous thinking, boundaries and relationships in the industry. Every aspect is in a state of flux and being reshaped," Liu told *ChinaReport*.

Liu added that while smaller production companies have closed, most large studios, relying on new investments and financing, are undergoing transformation.

Ni Shuang, principal media analyst of the investment firm Pacific Securities, said that studios making high-quality films would emerge from the industrial reshuffle caused by the coronavirus pandemic.

"In the future, film companies will concentrate further and large film production studios will expand. It's worth noting that more internet companies will enter the film industry. Film studios are highly likely to become part of their ecosystems," Ni told *ChinaReport*. ★

VISUAL REPORT



PEDDLING FORWARD





A bird's eye view of a night market on Yinxing Road, Neijiang, Sichuan Province, June 4

One of China's hottest buzzwords for June is the "street vendor economy." Since May, many cities have been encouraging people to set up streetside stalls to sell food and other items. Street vending, which many new arrivals to cities depend on to make a living, was previously banned in urban rejuvenation programmes.

At a press conference after the third session of the National People's Congress on May 28, Chinese Premier Li Keqiang praised efforts in cities to encourage mobile

street vending to ease unemployment and revitalise small businesses stricken by the Covid-19 pandemic.

"The street vendor economy and the small shop economy are important sources of employment... and are just as vital to China as high-end luxury shops," Li told street vendors during a visit to a historic community in Yantai, Shandong Province on June 1.

However, first-tier cities such as Beijing, Shanghai and

Shenzhen have expressed caution about street vending. On June 7, a commentary in the *Beijing Daily*, the official newspaper of the Beijing government, called the street vendor economy "unsuited for the capital" and said the city has not relaxed its rules. The next day, a commentary in the *Shenzhen Special Zone Daily*, a paper under the city's public relations department, said that cities should adopt their own policies, and modern metropolises like Shenzhen should not indiscriminately embrace the street vendor economy.



Vendors and shoppers crowd Danfeng Street Night Market in Nanjing, Jiangsu Province, June 7



1. Cooks grill on barbecues outside the Sheraton Grand Wuhan Hankou Hotel, Wuhan, Hubei Province, June 4
2. Wedding photographer He Xiang and his friends run a temporary photo studio at a night market in Qingdao, Shandong Province, June 10. The group shot family photos free of charge and offered free photography lessons
3. Pictured is a designated space for street vendors in Qujiang New District, Xi'an, Shaanxi Province, June 1
4. Vendors attract customers by singing at a "trunk flea market" in Meixin Wine Square, Liangjiang New District, Chongqing, June 10. Designers, musicians, collectors and buskers set up to sell their handicrafts and second-hand items
5. A traditional Hanfu-clad woman with exquisite makeup sells accessories in a night market near a shopping mall in Chengdu, Sichuan Province, June 4
6. A flea market bustles under a 108-metre-tall replica of the Eiffel Tower in Tianducheng District, Hangzhou, Zhejiang Province, June 9
7. Artists sell their paintings and calligraphy at a night market in the Longhuli community of Zhengzhou, Henan Province, June 3
8. A vendor sells stuff from his car at a market near Vanke Meili Zhicheng residential community in Kunming, Yunnan Province, June 10





Kaifeng

Tune in to the Song Capital

The Henan city with an iron will that has survived natural disasters offers tasty treats as well as imperial and Jewish history

By Tautvile Daugelaite

A view of Kaifeng from the top of the Iron Pagoda

Touring the cities that lie around the Yellow River allows you to get in touch with the very roots of Chinese civilisation. The locals will confirm that and almost every conversation will eventually come to a point where you will hear “Well, after all, it is the cradle of all Han Chinese!”

Kaifeng, in Henan Province, is no different. One of the eight ancient capitals, Kaifeng, which means “opening the border,” boasts a history of more than 4,100 years and was capital for seven dynasties. As capital of the Northern Song Dynasty (960-1127), it was considered one of the earliest metropolises in the world when it was the largest and most prosperous city in China, with over 400,000 people living inside and outside the city walls. With a bit of imagination, a trip to Kaifeng can be inspiring and meaningful, if you take into account all the grandiose city elements that the city had throughout the dynasties and then the looming threat of the unstoppable Yellow River right next door. Local Henanese are known nationwide as good hagglers, business makers and an unfortunate stereotype, cheats. However, all of

these mould perfectly well into one entrepreneurial spirit.

Kaifeng was my first stop when visiting Henan, and I could really feel the buzz of the city and the vigor of the people. Central Kaifeng is bustling all day and night, with morning hour rush chased away by the afternoon city explorers and evening food vendors flooding the backstreets and feeding hungry urbanites. The food is plentiful, varied, and, to my surprise, unusually vegetarian friendly. The local speciality of soup *baozi* (which is a distant cousin of Shanghai’s scalding hot soup-filled *xiaolongbao*) comes with vegetarian options and restaurants generally have plenty of dishes to serve the visiting herbivores. When asked about that, the owner of one restaurant just shrugs his shoulders: “I’m not sure. I don’t think it’s anything special. We just have dishes without meat.” As any vegetarian visiting China will know, we often seem to be missing out of the most delicious local bits, be it speciality dumplings or flatbreads with stuffing, only because those come with meat filling. Well, that is not the case in Kaifeng. For the first time, I was able

to enjoy a basket of soup dumplings, with an egg, leek, and glass noodle stuffing – a hearty portion of a local delicacy that I would normally have to pass on.

Both locals and visitors gather around the Drum Tower (Gulou) area, where the main street brings a more sanitised (and not always as charming) options for snacks and milk tea with a bustling night food market. Wander into the back alleys and you will find more vendors selling everything from skewers boiled in spicy soup to dumplings, barbecue meat and my personal winner – potstickers. While I planned an evening to explore the back-alley food vendors, the weather in Kaifeng decided to turn on everyone and the strong winds sent all the sellers running. However, the restaurants nearby saved the day and even the heavy rain didn’t ruin a good eating trip.

Iron Pagoda

After a day of stuffing yourself with local delicacies, a walk around town is just right. During my time in Kaifeng, the central streets were fenced off by a green construc-

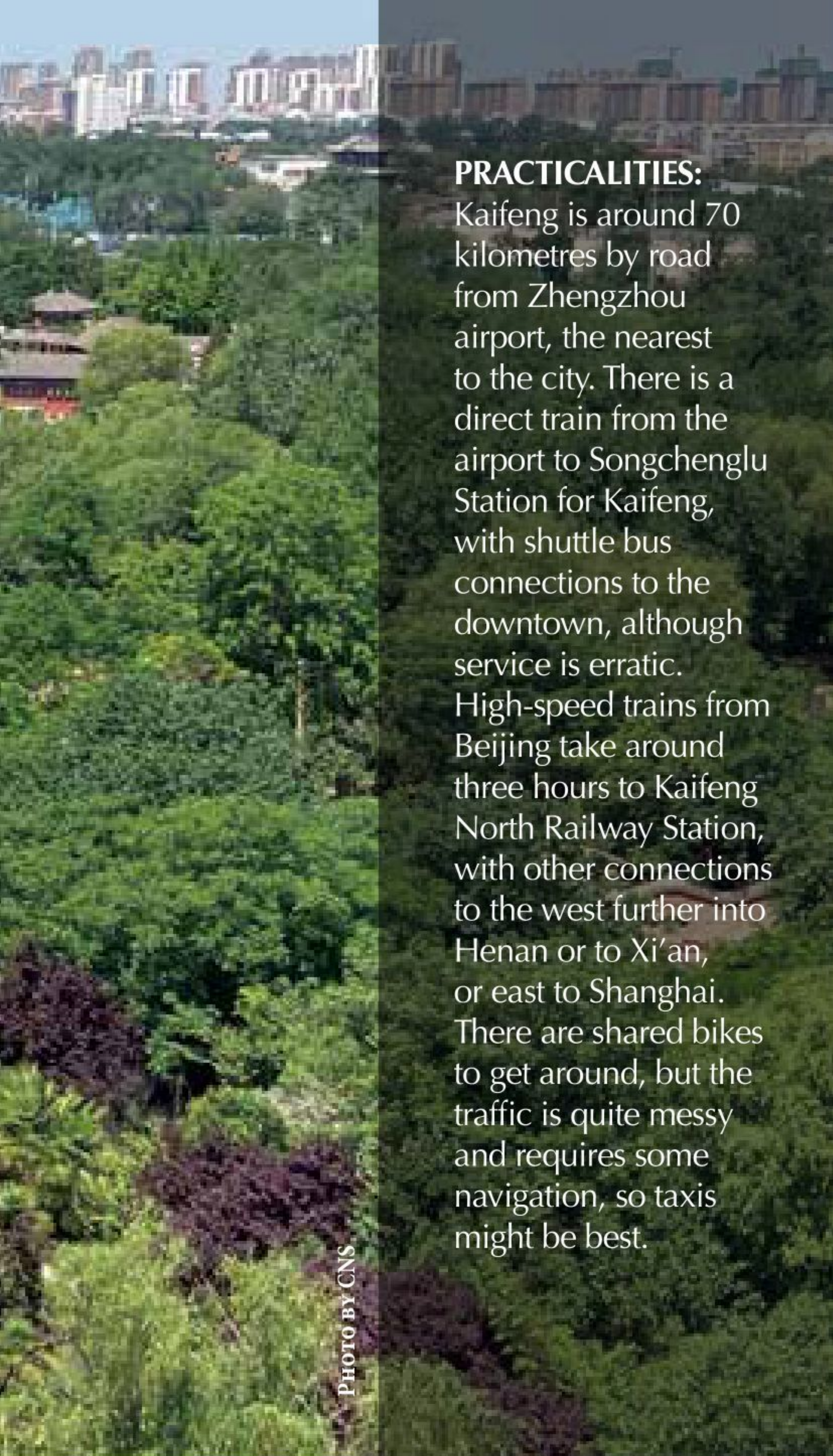


PHOTO BY CNS

PRACTICALITIES: Kaifeng is around 70 kilometres by road from Zhengzhou airport, the nearest to the city. There is a direct train from the airport to Songchenglu Station for Kaifeng, with shuttle bus connections to the downtown, although service is erratic. High-speed trains from Beijing take around three hours to Kaifeng North Railway Station, with other connections to the west further into Henan or to Xi'an, or east to Shanghai. There are shared bikes to get around, but the traffic is quite messy and requires some navigation, so taxis might be best.



COURTESY OF CNS

The narrow stairs leading up to the top of the Iron Pagoda



tion wall so places you could normally choose for a stroll around the city centre Baogong Lake did not live up to their potential. At the end of the small lake across a causeway lies the modern but ancient-looking Memorial Temple of Lord Bao, a famous justice of the Song Dynasty who was known for fairness. The temple contains exhibitions, including instruments of torture used in punishments. Travel in the autumn, and you'll see the annual chrysanthemum festival with displays all around the lake.

Wanting to see some of the older structures of the city, I called a taxi to go to the Iron Pagoda. By some accounts, the pagoda was built in 1049 on a hill, but due to constant flooding by the Yellow River and the city getting regularly buried under a layer of mud, the 51.7 metre structure now stands at ground level. The pagoda is not made from iron but is named so because of its brown tiles. It is said to have withstood 38 earthquakes and six floods. The pagoda is situated in a huge green park, which is a pleasant walk unless you are visiting in summer, which can be rather hot. The Iron Pagoda's main attrac-

tion is that you can climb to the highest 13th storey. Unfortunately, the inside of the narrow and steep stairway is not only decorated with Buddhist statues, but also with names and dates scratched on the interior bricks. The climb takes about 15-20 minutes, but the views over all four sides of the city that open up through the narrow windows are a great way to take in the scenery.

Besides the Iron Pagoda, Kaifeng has other imperial sights, although many are reconstructed, including stroll-friendly imperial streets and the inner city gate, or the Buddhist Daxiangguo Temple. The wacky Millennium City Park, close the downtown, is a modern recreation of the scene in one of China's most famous scroll paintings, titled "Along the river during the Qingming Festival," painted in the Song Dynasty. The park aims to give a flavour of the city during a festival, where merchants and people crowded the banks of the boat-filled river. The mod-

ern theme park contains a recreation of the famous arched bridge of the painting, folk performances which can verge on the surreal – like a machine gun-toting Punch and Judy show, and the ubiquitous souvenir shops.

Steering away from the usual attractions, Kaifeng still occupies a unique spot in history, due to its Jewish history. The first Jews settled in the city over 1,000 years ago and the community is unique in the world. Today, the community numbers fewer than 100, but if you are interested in their unique history, you can look up the contacts of one of the community members (phone number and email available publicly on Wikipedia). Upon calling Esther Guo, who loves to share the local Jewish history with visitors, I found she was unavailable at the time, but we definitely decided to meet up in the future.

Kaifeng also used to have a synagogue, but that was destroyed in the 1860s.

With delicious street food and a couple of unique pieces of history, Kaifeng is surely worth two or three days. And from there, it is only a short trip to the Yellow River, which is a must-see for anyone touring China. ★

Pop-up Soul

By Amy Snelling

Shanghai is one of those places where you leave for a couple of weeks, and by the time you return there's a strong chance you won't recognise a venue on your street. It's a city that looks remarkably different from one week to the next as buildings pop up and tumble down – I don't know many people living here who haven't turned up to a favourite spot one day to find it gone. Poof! Vanished into thin air without a trace.

The windows of the tiny bakery you used to frequent whited out; your old barber shop shut up with no sign of return, and only a faded name left etched into the hoarding to mark its former existence; your go-to neighbourhood eatery transformed into a building site with the next concept already unfolding in its space. Over the past two years, the shop next to my flat has been an artisanal coffee-house, a flower shop, a bubble tea café and an indie fashion boutique.

It's partly just a side effect of living in a fast-paced megacity where people and places come and go; that transient nature long ingrained into its DNA. But it's also because Shanghai is a playground for entrepreneurs and innovators, a testbed of ideas where no plan is too outlandish, no dream too big. People flock to its bright lights like a moth to a flame, drawn in by its unrelenting energy and a strong community of business owners and workers who together throw themselves fully into the city to keep it moving forward. Some ideas flourish, grow and evolve, while others move on or fade out, quickly followed by new ones popping up in their place.

When my partner and I first moved here, we were often met with unrequested assurances from southern friends and acquaintances that our lifestyle here would be much "easier" compared to Beijing, its northern rival that we were leaving behind. But honestly, in the beginning I felt the opposite. Less grit, more glitz, as an outsider Shanghai somehow felt colder and more closed off. Like most metropolises, it moved at a million miles an hour never stopping for breath, and the

Regardless of whether they last a lifetime, like the mom-and-pop snack shops and street food stalls passed down from generation to generation, or whether their moment is fleeting, these local businesses really are the heart of Shanghai. They're the hubs that foster tight-knit communities in a hardened city centre



ILLUSTRATION BY XIAO ZHENDUO

people who lived there did the same.

Local businesses were our key to the other side, the inside. Regardless of whether they last a lifetime, like the corner shop and street food stalls passed down from generation to generation, or whether their moment is fleeting, these local businesses really are the heart of Shanghai. They're the hubs that foster

tight-knit communities in a hardened city centre: Neighbours gossip at their corner fruit shops, local organisations and groups chew the cud at tucked away-café, quirky gift shops stock the wares of up-and-coming local designers, and families host lively catch-ups squeezed around the table at hole-in-the-wall restaurants.

Between the four walls of what were to become my regular neighbourhood haunts, life slowed right down, and the city's impersonal façade faded away. After weeks of struggling to meet people, lasting friendships were formed in the space of a few hours at our local live house; chatty grocery store owners spun off their tips for everything from where to find the best *xiaolongbao* (Shanghai's signature soup dumplings) to fresh produce in a flurry of Shanghaiese; and friendly bartenders behind buzzing cocktail spots recommended their favourite tipples. It's these spaces that make Shanghai the unique, colourful and unforgettable city it is.

Just like places all over the world, a number of Shanghai's small businesses are being pushed out of action by increasingly online shops, bigger brands and omnipresent chains that compete for our attention with their promise of convenience and deals. But it's because of the strong community vibes that when the little guys struggle or run into the age-old issues with landlords and unexpected changes to regulations, their patrons and fellow local joints pull together to try and keep them afloat via collaborations, free publicity and more. And when there are casualties, their legacy often lives on.

While businesses do come and go, it's safe to say that Shanghai wouldn't be the city it is without the passionate and dedicated entrepreneurs, artisans, creatives and workers from all walks who give it their all to create spaces where strong community vibes thrive. They're what keep the soul of our international and unstoppable city alive, and that's why we've got to support them where we can – especially in a year like this one. ★

Forming Good Habits

By Adam Robbins

I can't believe it: I won!

It's early January, in a large Guangzhou banquet hall for a nonprofit's annual fundraiser. I'm onstage with the MC, grinning ear to ear.

I'd won a two-night stay at an all-inclusive, five-star resort in tropical Sanya! I just had to use it before June. No problem... then the coronavirus came.

For weeks, my travel partner and I searched for news. Could we fly there? Would we be quarantined? Shenzhen was now "low-risk," but the district with the airport was briefly medium-risk – would we need a Covid-19 test just to board the plane? Would the fancy resort even open in time?

To our relief, the fancy resort did reopen, and we could fly in without quarantine. But travel in a time of the coronavirus is not so simple.

Masks in the plane is fine: it's 90 minutes and we've worn them for longer in taxis. Billowing white plumes of disinfecting mist are disconcerting, but no more than that. Abbreviated cabin service annoys, but it was late so we slept.

Then we arrived.

First we complete a form with our ID info, symptoms, travel history and destination. That got us to the luggage carousel. Then hand our passports to an airport cop, who add us to her chart.

Our passports then visit a young guy in dark blue uniform reading "SWAT," who barks sleepily to get our luggage. Eventually we follow our passports and another SWAT dude on a short journey out of the building, to a large room with three desks, with, you guessed right – more forms! Two at the first desk, plus the input for an app-based health code. (I don't have it, but my travel partner adds me as family.)

Then a passport chase to the furthest desk, to repeat the same destination info. Then the final desk and final approval. No words, just passport back in hand. We're free to go.

Late night check in at the airport hotel goes fine. Almost at the lift, we stop when the desk clerk hurries over. "Sorry, sir, there's one more form..."

We somehow don't curse him out right there.

Our passports then visit a young guy in dark blue uniform reading "SWAT," who barks sleepily to get our luggage. Eventually we follow our passports and another SWAT dude on a short journey out of the building, to a large room with three desks, with, you guessed right – more forms!



ILLUSTRATION BY XIAO ZHENDUO

Just add the least possible info and walk away, to sleep, to dream of that fancy resort just hours away.

The thought carries us past the sad little breakfast: bitter coffee, stale cereal, and all the congee we could want... which is exactly zero congee.

The cab ride reveals a Sanya flush with palm trees and bright bougainvillea. There are sparse and desultory shops near the airport, everywhere concrete and the same propaganda slogan: "Don't forget the original mindset!" This is from Mao, I'm told, talking about the Long March.

Arriving at the fancy resort is to reach an oasis – it's manicured and polished, with staff eager to receive us. They explain everything and guide us along.

There is, of course, a form. The pandemic

pokes its nose here as well. We add our info and temperature, show them our green Hainan-specific health codes, and we're released to the general population in this village of food, drink, and amusement.

It's paradise with Chinese characteristics.

The grounds betray those little corner-cutting habits we notice everywhere in China: the floor sags near the ballroom, the red carpet invites tropical mould, tiles don't quite meet, and the bench of the dark-wood sauna hides a solitary nail just waiting to tear into my vulnerable behind. And outside the perimeter, the same old China lurks: to one side of the beach, an earth-mover idles in the saltwater; on the other lay a massive concrete cove where aunties pick for clams and heavy machinery rusts on the sands.

Three weeks re-opened and it's still partly empty – more lifeguards than swimmers – but that leaves more for us. We swim unencumbered laps, work out alone, swing on the flying trapeze with nearly no line, and usually find a good table. We can people-watch this cross-section of China's upwardly mobile, braving the coronavirus for kids and carnival.

There's the shirtless young dad with infant in arms floaties, both in bathing caps but only daughter wearing frills on her bathing suit. Mom hides under umbrella, concealed in shades and head-to-waist neon yellow. I hear her mothering from across the pool.

As the international staff leads the crowd in karaoke, dancing, or no-stakes gambling with all the enthusiasm of camp counsellors, it's a soft and safe weekend. There's the barest of risk as we kayak too close to a speeding ferry for their comfort. But beside a roaring Saturday hang-over – don't mix your house-pour cocktails! – it was all a pampered pleasure. Which my travel partner usually hates.

But in this timorous time, we hesitate to plunge headlong into the mountains and hostels and all that proximity. We're looking forward to the day when we can bum around again without scribbling forms in quintuplicate. Till then, we'll keep the mask, show the code, and stick to the safe route. ★

On the Lamb in China's Northwest

By Mina Yan

Good food brings people together and whole roast lamb does just that. In China, locals love to barbecue all year round, especially *chuan'r*, or kebab-like skewers, of everything from chicken wings to sheep testicles. It doesn't matter if it's snowing or like a sauna, sitting down with your closest friends and enjoying a dinner of *chuan'r* and cold beers is one of the country's favourite pastimes.

The most popular *chuan'r* by far is lamb. But for special occasions, *chuan'r* alone won't cut it. It's time for the big guns – a whole roast lamb done Xinjiang style.

Outside of China's northwestern autonomous region, restaurants specialising in whole roast lamb really go all-out, usually complete with yurt-style decor and dancers. Every whole roast lamb dinner is a special treat. First of all, there's so much food that it's usually reserved for large groups. After plenty of beers and cold dishes, waiters ceremoniously parade the roasted lamb around your table, letting the intoxicating fragrance of the meat fill the entire yurt.

The first time I had whole roasted lamb it was a mind-blowing experience. After the lamb has been carved and served, the 20 people



around the table fell silent. Why? We were all too busy eating up every bit of the roast lamb. Not only does the dish look incredibly impressive, but there's something about roasting it whole that makes the meat extra succulent.

The lamb *chuan'r* served on street corners tends to be heavily spiced and a bit dry at times. It takes a skilled and mindful chef to monitor the skewers to make sure they're not overcooking. After all, we're not making jerky here. But when

the lamb is split in half and roasted whole, it seals in the meat's natural juices. While most restaurants give the outer layer a generous coating of their secret blend of spices, the thickness of the lamb protects the meat's natural flavours.

But what if you don't have 20 foodie friends who are willing to search out a yurt restaurant that specialises in whole roast lamb? Don't worry, you can still get a taste. Most cities have roast lamb leg restaurants that specialise in just that – the leg. While not as impressive as a whole lamb, it's hearty enough to satisfy about four hungry diners and leave you with some room for cold dishes and beers. ★

real chinese

baitan

Street vending

Ever since Chinese Premier Li Keqiang promoted the idea of roadside vendors as an important way to helping increase employment and revive the economy during the two sessions, China's annual legislative event, the word *baitan* has gotten lots of use of late, both online and offline.

Baitan (*bai* means “to place or lay out” and *tan* means “stall”) has always been a vibrant and interesting part of life in China. Thanks to the reform and opening-up policies launched at the end of 1970s, people

took to the streets to *baitan* in droves during the 1980s and 1990s. It remains an important source of income for small-scale entrepreneurs. Anyone can do it, too. All it takes is some products, a blanket, and a place to start selling.

But as cities grew, *baitan* became a difficult fit. Locals complained of roads choked with street vendors and poor sanitation. Combined with consumer resentment over vendors' low-quality goods and the shift over to e-commerce, many local governments

banned *baitan* altogether. Street vendors often found themselves in pitched, sometimes violent, conflicts with urban management officers charged with preventing them from setting up stalls.

Premier Li's announcement at once lifted the *baitan* ban. But as roads once again crowd with stalls, local governments are challenged with finding a solution to balance what media has called the new “close-to-life” economy with traffic and sanitation problems. ★

bǎi tān





CHINA HOUR

Understanding China
from inside the country

Find us on SKY TV Channel 192

Monday
to Friday **3-7pm**

Saturday **3-4pm**
6-8pm

Sunday **3-4pm**
7-9pm



Catch our
Foodie Tuesdays
&
Travel Thursdays
from 5pm-7pm



Subscription

Never Miss an Issue of ChinaReport Again!

First issue
FREE

To subscribe the digital edition, search for *China Report app* on pocketmags.com;
To subscribe both print and app editions, follow instructions on Fm4media.com;
Or fill in the form below and return it to:

ChinaReport Subscriptions

83-87 Crawford Street

London W1H 2HB

UK

OR send an email to **subs@foremost4media.com**, stating
the period of subscription, your mailing address and contact details,
and bank payment reference (format: CRsub12(6)+your initials)

- ☐ 6 Month (£16.00) ☐ 12 Months (£30.00)
☐ Print+App (£18.50) ☐ Print+App (£35.00)

Bank details:

A/c name: Foremost 4 Media Ltd

Branch: Bank of China (UK) Ltd.

Sort Code: 40-50-37

Account No: 33089150

IBAN: GB47BKCH40503733089150

SWIFT: BKCHGB2U

You can also pay by cheque, made payable to : Foremost 4 Media Ltd.



For the App



For Print & App



Name: _____ Tel: _____

Postal Address: _____

Postcode: _____ Email: _____